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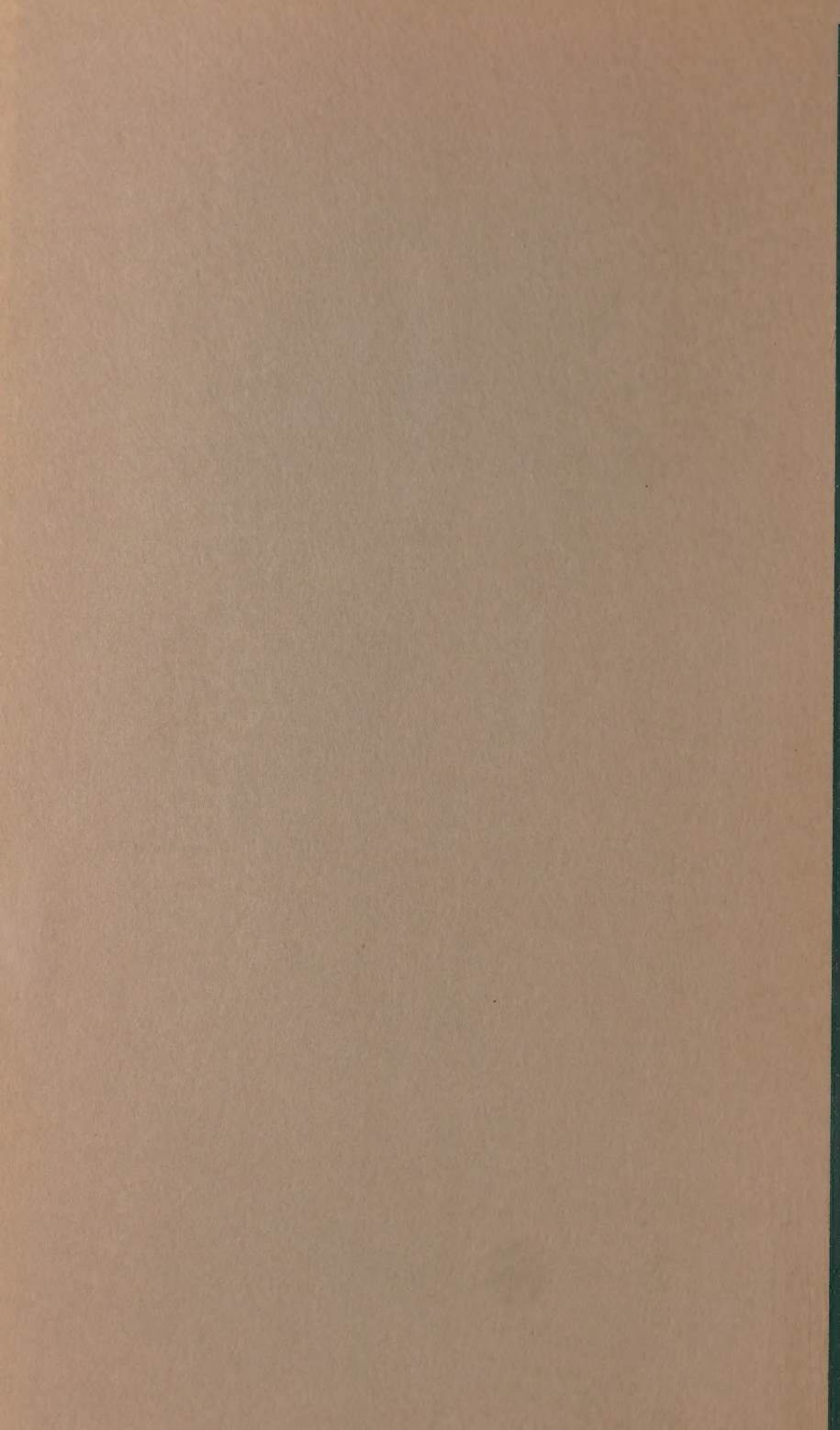
Government
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Canada. Parliament. Senate.
Standing Committee on External
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Proceedings

1965

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Third Session—Twenty-sixth Parliament

1965

THE SENATE OF CANADA
PROCEEDINGS
OF THE
STANDING COMMITTEE ON
EXTERNAL RELATIONS

The Honourable G. S. THORVALDSON, *Chairman*

The Honourable L. M. GOUIN, *Deputy Chairman*

No. 1

First Proceedings on the Inquiry into Commonwealth Relationships,
with particular reference to the position of Canada within
the Commonwealth

THURSDAY, JUNE 3, 1965

WITNESS:

The Honourable Paul Martin, P.C., Q.C., Secretary
of State for External Affairs.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1965

THE STANDING COMMITTEE ON EXTERNAL RELATIONS

The Honourable G. S. THORVALDSON, *Chairman*

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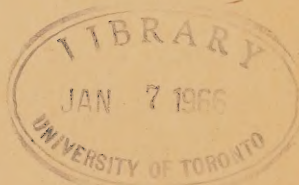
The Honourable Senators

Aseltine	Jodoin
Blois	Lambert
Boucher	Macdonald (<i>Brantford</i>)
Cameron	McLean
Cook	O'Leary (<i>Carleton</i>)
Crerar	Pouliot
Croll	Quart
Farris	Rattenbury
Fergusson	Roebuck
Flynn	Savoie
Fournier (<i>De Lanaudière</i>)	Smith (<i>Queens-Shelburne</i>)
Gouin	Taylor
Grosart	Thorvaldson
Haig	Vaillancourt
Hayden	Veniot
Hnatyshyn	Vien
Hugessen	Yuzyk—35
Inman	

Ex officio members

Brooks
Connolly (*Ottawa West*)

(Quorum 7)



1037852

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Tuesday, May 25, 1965.

"Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Thorvaldson, seconded by the Honourable Senator Hnatyshyn:

That the Standing Committee on External Relations be authorized to inquire into the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth;

That the Committee have power to send for persons, papers and records, and to sit during sittings and adjournments of the Senate; and

That the Committee be instructed to report to the House from time to time.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, June 3, 1965.

Pursuant to adjournment and notice the Standing Committee on External Relations met this day at 5.00 p.m.

Present: Honourable Senators Thorvaldson (*Chairman*), Aseltine, Blois, Boucher, Cameron, Connolly (*Ottawa West*), Cook, Fergusson, Gouin, Grosart, Haig, Inman, Lambert, O'Leary (*Carleton*), Pouliot, Quart, Rattenbury, Roebuck, Savoie and Smith (*Queens-Shelburne*)—20.

In attendance: R. J. Batt, Assistant Law Clerk and Parliamentary Counsel and Chief Clerk of Committees.

The Committee proceeded to the order of reference of May 25, 1965.

The following witness was heard:

The Honourable Paul Martin, P.C., Q.C., Secretary of State for External Affairs.

At 6.00 p.m. the Committee adjourned to the call of the Chairman.

Attest.

Dale M. Jarvis,
Clerk of the Committee.

THE SENATE
STANDING COMMITTEE ON EXTERNAL RELATIONS
EVIDENCE

OTTAWA, Thursday, June 3, 1965.

The Standing Committee on External Relations, to which was referred the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth, met this day at 5 p.m.

Senator GUNNAR S. THORVALDSON in the Chair.

The CHAIRMAN: Honourable senators, we have a quorum. In fact, I am delighted to see that we have much more than a quorum to commence this meeting, so we will get under way.

I am sure that I speak for everybody here when I say how delighted we are that the Honourable Paul Martin, Secretary of State for External Affairs, is here to speak to the committee.

The resolution standing before us, if you will just allow me to read it for the record, is:

That the Standing Committee on External Relations be authorized to inquire into the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth;

That the committee have power to send for persons, papers and records, and to sit during sittings and adjournments of the Senate; and

That the committee be instructed to report to the House from time to time.

I would now invite the Honourable Mr. Martin to speak to the committee.

Hon. Paul Martin, Secretary of State for External Affairs: Mr. Chairman, you have said you are pleased that I agree to appear before you. I conceive it my duty to come to a committee on external affairs in one of the Houses of Parliament, and I welcome the opportunity of discussing some aspects of the Commonwealth with you or, for that matter, any aspect of Canadian foreign policy.

It might be worth while at the outset for me to go over with you the members of the Commonwealth as presently constituted, and to give you the years when membership was accorded them. Some of them, of course, had colonial status; others were part of other jurisdictions that had colonial status; but the list that I now read out, together with the years of their admission to membership—apart from Britain, Canada, Australia and New Zealand—may be of interest to you.

The following 21 independent countries are members of the Commonwealth: Britain; Canada; Australia; New Zealand; India, in 1947; Pakistan, in 1947; Ceylon, in 1948; Ghana, in 1957; Malaysia, in 1957, then known as Malaya and now as Malaysia after the accession of Sarawak, Sabah and Singapore in 1963 into what became the State of Malaysia; Nigeria, in 1960; Cyprus, in 1961; Sierra Leone, in 1961; the United Republic of Tanzania, in 1961, formerly known as Tanganyika and now made up of Tanganyika and Zanzibar; Jamaica,

1962; Trinidad and Tobago, 1962; Uganda, 1962; Kenya, 1963; Malawi, 1964; Malta, 1964; Zambia, 1964, and Gambia, 1965.

There are now 21 members in the Commonwealth, and it is estimated that in the next five or so years the number of independent, sovereign states in the Commonwealth may reach the figure of 25.

I am sure I need not emphasize that our membership or our association in the Commonwealth represents one of the important features of Canadian external affairs policy. It is axiomatic to say that we are concerned with maintaining the Commonwealth as a viable institution. We look upon it as one of the cornerstones of our foreign policy, and we believe that it is an indispensable factor in the maintenance of peace in the world at the present time.

We are engaged currently in important matters preparatory to the Prime Ministers' Conference that will be held on June 15. This will be the first conference under the auspices of Her Majesty's present Government in Britain. There was a conference, as you know, a year ago.

The Commonwealth now assumes growing importance, and this view is supported by the number of visits that we have, not only from public servants and members of Commonwealth governments but now quite frequently, and happily, from heads of governments. We will have a visit here by the Prime Minister of India on June 10. This will be Mr. Shastri's first visit to Canada. It will be an important visit for him; it will be an important visit for Canada. It will afford the Government of Canada the opportunity of discussing with the head of the Government of that great Asian state problems of direct concern to all Asian countries, and it will give us an opportunity of receiving an assessment from the head of the Government of India of some of the problems that face the world at the present time in Indo-China and particularly in Vietnam.

Last week we had a visit by the Prime Minister of Trinidad, Dr. Eric Williams. He had been here a year ago. It was very valuable for us to exchange views with him, because our ties with the Commonwealth portion of the Caribbean are becoming of increasing importance, particularly in the light of the shifts of responsibility and of the traditional sphere of influence occupied by the United Kingdom and by the United States in that area.

I may just say by way of digression that we look forward to further developing relations with the Commonwealth Caribbean countries. We are now giving consideration to the holding of what might be the first conference between Canada and the Commonwealth Caribbean countries. I can go no further at this time than to make this general observation. There are problems in the way, but the problems are not because Canada does not regard this as a very desirable and important idea to accentuate. The complications of international relationships today are seen in the fact that this portion of the Commonwealth has a growing interest in the problems of Latin America. This is evidenced by the suggestion that the Commonwealth sovereign powers in the Caribbean should look for participation in the organization of American states.

The Commonwealth accounts for nearly one-quarter of the population of the world. There is no body of nations that has as varied a character of membership as the Commonwealth, which is now the official designation for this association. It is made up of a European state, a North American state, and it includes countries in Asia, Africa and the Caribbean. It touches many forms of political association. It touches religious backgrounds and peoples of different colour. It is held together for the most part by a basic system of law, and by the parliamentary system which is traditional in most but not all of the member countries.

The Commonwealth has changed a great deal. Those of you will experience at the United Nations will appreciate the role that the Commonwealth plays in that world organization. But, it is not the Commonwealth of my university days; it is not the Commonwealth of the days of Lord Milner; it is not the Commonwealth of the days of Sir Wilfrid Laurier nor of the days of Sir Robert Borden. It has evolved with the changing events of our time, and it has made these changes, I think, effectively. As was demonstrated at two of the recent conferences of Prime Ministers, it has faced squarely one of the great problems of our time, namely, the problem that arises out of the challenge of contemporary race relations.

I have had the honour of reading some of the speeches made in connection with your resolution, Mr. Chairman, and I noted an understandable reaction on this question by some of those who participated in that debate. I am sure you will agree that, in this assessment of the role of the Commonwealth, it is not possible to overlook the challenge of race relations, not only in the Commonwealth but in the world itself. This is evident now at almost any international gathering, and it is especially evident in the Commonwealth and in the United Nations.

Last summer the third Commonwealth Education Conference was held in Ottawa. The Commonwealth Education Conference is one of the great institutions of the Commonwealth at the present time. The idea arose out of the sponsorship of the last administration, and it is a matter with which Mr. George Drew had much to do. The conference itself was held in the West Block. I do not know how many of you were present, but that conference brought home to me very effectively the character of the new Commonwealth.

The Commonwealth is no longer made up only of countries whose people are white, or who are of the same basic cultural tradition. It is no longer made up of Britain, Canada, Australia and New Zealand, or even what were called a few years ago the newer members of the Commonwealth such as India, Pakistan and Ceylon. It is now made up of a whole group of new states that have emerged under the modern concept and status of nationhood. If the Commonwealth is to be kept together, as it must, then the challenge of race relations is one that we have to keep before us.

This situation was met in 1960 at the Prime Ministers' Conference in the context of the South African policy of apartheid and the denial of racial equality, and in the context of the withdrawal from the Commonwealth—the regrettable but understandable withdrawal—of South Africa.

Then, again, last year, at the proposal of the Canadian Prime Minister, it will be recalled that the Commonwealth Prime Ministers adopted a declaration of racial equality that was prompted in part by the conditions which continue to prevail in Southern Rhodesia.

At the Prime Ministers' Conference of last year there was an affirmation by the prime ministers that a policy objective of the governments of the Commonwealth was to build in each country a structure of society offering equal opportunity and non-discrimination to all its peoples, irrespective of race, colour or creed.

I suppose one of the interesting features of the Commonwealth is the provision that is made for informal and intimate communication and consultation between continents, between races and religions, and between the industrialized and the underdeveloped portions of these parts of the world. There is no other organization that has the same common denominator, apart from the United Nations, than that which is to be found in the Commonwealth.

This must be maintained, not for the reasons that inspired the attitude of the earlier concept of empire or of the Commonwealth—not that I am saying anything about those concepts—but because of the interdependence of the

nations of the world. Today, I suggest, no one can reasonably argue against the importance of maintaining the Commonwealth as an institution of free nations.

The methods by which consultation takes place, apart from the periodic meetings of prime ministers, have, of course, become somewhat institutionalized. For instance, the Commonwealth Economic Consultative Committee meets regularly. This is an organization composed, generally speaking of the ministers of finance and the ministers of trade of the different countries who meet to discuss economic and social problems. The last meeting was held in September in Kuala Lumpur, which is now the capital of Malaysia. There are meetings of Commonwealth officials continuously. There are many meetings that are arranged on an *ad hoc* basis between the members of the various Commonwealth governments.

For instance, the other day, when I left Canada to attend the NATO ministerial meeting in London, I did so ahead of time in order to have some talks with Mr. Stewart, Secretary of State for Foreign Affairs, as well as Mr. Bottomley, Secretary of State for Commonwealth Affairs, and also Mr. Greenwood who is in charge of colonial affairs. I met Mr. Greenwood not because Canada has any longer an interest in colonial policy, but because we are interested in the problems of British Guiana following from our heavy economic interests there. It was important that I should discuss with the Secretary of State for Colonial Affairs, the problems arising out of the difficult and complicated situation in that little Caribbean country.

An opportunity for more continuous consultation, I think, exists at the United Nations where during the Assembly the Commonwealth countries meet to discuss problems largely having to do with the agenda of the United Nations itself. However oftentimes when the foreign ministers are present, advantage is taken of that opportunity to discuss problems that are outside of the immediate area of the Commonwealth itself. Even when the Assembly is not in session it must be remembered that there are in continuous attendance at the United Nations the ambassadors of the various sovereign powers of the Commonwealth. An opportunity is thus provided for continuous meetings and consultation in respect of problems which are of vital concern to the Commonwealth.

It is interesting to note, by way of digression, some of the able personalities that represent the newer countries of the Commonwealth. I do not suppose there is any abler man at the United Nations than Chief Adebo, the Ambassador for Nigeria at the United Nations. I think it will be generally agreed by anyone at the United Nations that there is no man there who is so highly respected, or whose knowledge of the problems of the United Nations and the problems of our rather difficult world is greater than that distinguished public servant of his country.

There has been a good deal of thought given to the means by which the strength of the Commonwealth can be maintained.

It is hard to define the Commonwealth. It is certainly not easy to identify many common denominators. I mentioned the common law as one of them, but it must be recalled that the common law is not the only legal system in the Commonwealth. Language, perhaps, except for some of the people of Canada and Mauritius, is one of the more obvious common denominators. The Commonwealth is essentially an association of peoples whose institutions are at least partly English speaking. The English language can be found to be spoken in almost all parts of the Commonwealth.

But there is something more, an undefinable community of interests. One senses it at the United Nations. I sensed it certainly in the two weeks' conference we had last year in the West Block, which was one of the great conferences, I think, in the history of the Commonwealth. There is a similar

approach among the Commonwealth countries to the problems of the world based on a common appreciation of the importance of the individual in human society, as opposed to the emphasis that is given in totalitarian countries to the state.

Another influence is that of education. So many of the heads of governments today in these Commonwealth countries, and particularly the newer ones, are the product of the educational system of Britain, or, if not directly of Britain, of the British technique as applied in their own countries. This has created a background of tradition and information that has helped to develop the indefinable unity which prevails in this organization.

Even the most radical—if one could use that adjective within quotation marks—the most radical personality in the Commonwealth today recognizes, I think, the importance of preserving the Commonwealth as an organism for good in the world. Not all governments, not all countries of the Commonwealth, would have the same concept of and the same justification for the Commonwealth, but all would recognize that it is an indispensable factor in the kind of world in which we live and that every method must be used to preserve its integrity, to guarantee its unity.

With this in mind, at the last Prime Ministers' Conference the proposal was made for the establishment of a Commonwealth Secretariat. It was considered that it would provide a broad range of information on issues of common concern to assist the existing Commonwealth agencies in the promotion of Commonwealth links in all fields, and could coordinate the preparations for Commonwealth meetings.

Since that proposal was made there has been a very careful consideration made, I am sure by most governments—I know it is true in the case of Canada—of this proposal.

It will be remembered that the idea of a Commonwealth Secretariat was once proposed by an Australian Prime Minister, and that it was severely criticized by Canada at the time. The proposal for a Commonwealth Secretariat was regarded as creating a form of centralization inconsistent with the constitutional development of the countries in the Commonwealth at that time. The idea met with little favour at that time.

It is curious that at this time some critical comments about the proposal for a Commonwealth Secretariat have come from Australia. This may be an indication of the way the Commonwealth has evolved. It would be wrong to look upon the present proposal of a Commonwealth Secretariat as involving a repetition of the earlier proposal. The two proposals are really different. This one is intended as a means of co-ordinating the various bodies that now exist. It was a proposal that came originally from some of the newer countries in Africa. It is one that I think should be respected and I believe it is one that will win a very wide measure of support at the coming Prime Ministers' Conference.

The proposal, of course, is aimed at emphasizing that the centre of the Commonwealth need not necessarily be a traditional point. Any effort on the part of any portion or any country in the Commonwealth to seek to dominate the Commonwealth as a whole would not be acceptable to the aims of the countries in the Commonwealth. There is no suggestion on the part of any older members that this should be done. It is now recognized that more and more the Commonwealth depends for its continued unity and service on a form of partnership. All members make a contribution in proportion to their capacity and opportunity.

I would like to come back momentarily to the Commonwealth Education Conference, about which I said something a moment ago. This was the third Commonwealth Education Conference. The first was held in Oxford, when

the leader of our delegation, was the then High Commissioner in London, Mr. George Drew. The second meeting was held in Delhi, and the third was held in Ottawa. This body has established over a thousand scholarships for Commonwealth students, and Canada, of course, participates in this Commonwealth fund. We contribute around \$1 million, and have been able to send or provide scholarships for 250 students in the Commonwealth.

As a source of unity of understanding, this is, in my judgment, one of the most powerful means of establishing a mechanism for keeping the Commonwealth together and bringing home to its members the importance of the organization.

But education is not the only way in which an effort is being undertaken to provide for the existence of the Commonwealth. We have now in Canada some 1,466 scholars from various countries in the Commonwealth. This is a large number of students. It represents a very considerable proportion of the foreign students studying in Canada. There are about 12,000 students from various parts of the world who are studying in Canada. A very considerable proportion of these are here under the Commonwealth scholarship scheme, the Colombo Plan arrangement, or under private benefactions and private endowments. Some are here as a result of arrangements made through scholarships provided by other international organizations.

In addition to these, under our external aid program we have some 250 Canadian instructors or teachers who are teaching in Commonwealth countries. Some of the other more developed countries of the Commonwealth like Australia, New Zealand, and Britain, are of course, providing teachers for various countries of the Commonwealth.

These are all factors tending to bring about a further strengthening of the ties binding the various Commonwealth members together.

Of course, we have the Colombo Plan program which is able to provide a great source of strength for the Commonwealth.

In 1950 the Colombo Plan idea was born. The first participants, the first beneficiaries of this plan, were India, Pakistan, Ceylon. Since that time, we have included, under the Colombo Plan, assistance to the countries of South and Southeast Asia. Indonesia, for example, continues to receive a limited form of assistance. We are making provision for training of some 40 students from Indonesia in Canada. We also give assistance in the field of health, and so on, to other countries in South and Southeast Asia, countries like Viet Nam, Laos, and Cambodia.

We have, of course, extended our external aid program to include Commonwealth countries in Africa and in the Commonwealth Caribbean. Only recently we embarked on a program of assistance to the French-language countries in Africa. While this latter program is not related directly to our Commonwealth interest, it has an indirect relationship in that many of the teachers in some of those French-speaking countries in Africa come from Commonwealth countries.

The Commonwealth has undergone a tremendous transformation. In many ways, the centre of the Commonwealth has been Britain. I suppose it will continue to be a centre of the Commonwealth. I would not want my words as reported here to be misunderstood. I am stating what seems to me to be a fact and I state it without any political implications and without giving or having any political motivation for the observation.

Because Britain has been the centre, because she dominated the seas, because she was the most powerful militarily, the other Commonwealth countries have not in the past been called upon to assume military obligations in respect of any other portion of the Commonwealth.

Certainly, not very long ago, it would have been very difficult to convince any Canadian Government that it had a responsibility to assist other Com-

monwealth regions in the maintenance of peacetime defence forces. But the world in which we live has changed. It has changed so much that countries which were expected to assume obligations of a military character, sometimes are no longer in a position to do so, not so much for economic reasons but because of the shifting sands of opinion in the world.

I shall give you an example. About four years ago we began to assist countries like Ghana and Nigeria in the development of their military forces. One of the essentials of any modern state, is to have at least the foundation of a military force to take care of the problem, not alone of outside, but of domestic security. Canada has been assisting Ghana and Nigeria in this field. We are now giving assistance to Tanzania, a country of about 30 million people, whose president, President Nyerere is, certainly one of the outstanding leaders in Africa.

Why are we giving this assistance to Tanzania? We agreed, following a visit to Canada by President Nyerere in late 1963, to send a military survey mission to Tanzania, then Tanganyika. As a result of that survey, we undertook to provide a form of military training to that country. This has been under way now since last fall.

The air force of Tanzania was to be trained until very recently by West Germany. The Government of Tanzania decided to accord a form of consular recognition to East Germany. Because of this, the government of West Germany withdrew its support to the air force of Tanzania. The Government of Tanzania was reluctant to accept aid from a number of other countries—and I prefer not to give the names at this stage.

We decided, after careful examination, to agree to give the assistance that had formerly been considered by West Germany. I should say that the particular form has not yet been finally decided on, as the mission has just returned to Ottawa and we are now in the process of examining their recommendations.

I do not want to exaggerate this assistance. It will cost us roughly \$2 million a year. We are already providing assistance in the neighbourhood of, I think, \$1 million a year for their ground forces. We are doing this in a country where the Communists are quite active. The Chinese People's Republic, so-called, has quite an influence in certain sections of Tanzania and are giving a form of military assistance themselves.

The activities of some of the European Communist countries here and throughout Africa, along with China, represent a form of interest that the Western World must take into account. The fact is that we are giving this assistance, first of all, because it is a Commonwealth country. This, I would want Tanzania to know, was our primary motive. But we are also doing it because if we did not undertake to accept this responsibility, it is quite conceivable that the assistance would be provided by a country that is not part of the Western World.

This indicates the nature of the world we live in and the nature of the challenge and the character of the changing obligations which are being imposed on the Commonwealth, but this time not through the centre but through some of its members such as, in this case, Canada.

We are now giving assistance to the Federation of Malaysia. Malaysia, as you know, is now the subject of aggressive guerilla warfare by Indonesia. Australia has a battalion taking part in the resistance against this guerilla warfare. New Zealand has contributed a grouping of forces. When Tunku Abdul Rahman, the head of the Malaysian Government, was here just about a year ago, we discussed with him the nature of the assistance that he wanted from Canada. We are now providing him with some transport airplanes and other forms of defence training assistance.

This is the extent of the aid that we have been asked to give to Malaysia, but it is an indication of the kind of evolution that is taking place in the Commonwealth in our time. I am sure that our participation in the United Nations Force in Cyprus, a Commonwealth country, was not influenced only by considerations of what we conceive to be our obligation under the Charter of the United Nations, but also by the fact that this was a Commonwealth country.

Well, Mr. Chairman, these are some general observations that I make about the Commonwealth. I reaffirm that the Government regards its membership in the Commonwealth as a vital factor in the execution and in the formulation of its foreign policy. We look upon the Commonwealth as an indispensable factor today in our effort to ease international tension and establish foundations for peace in the world.

Canada in the Commonwealth is given an opportunity to serve in a number of categories of action. We are a North American country having close ties with the United States. We also have close ties as a member of NATO with a number of European countries including one of our mother countries, France. The fact that we have these European ties with Britain and with France, with the Scandinavian countries, with Belgium, with Turkey and with Greece amongst others, enables us to exert on them some influence which has been enriched as a result of our membership in the Commonwealth. The fact that we have close ties with India—very close ties—close ties with Pakistan and with Ceylon and now with some of the newer countries in Africa enables us, I think, to play—and I don't want to exaggerate this—a more useful role in relation to the problems that face us in this interdependent world. This is one of the by-products of our membership in the Commonwealth. I think that any step that can be responsibly taken, in concert with other members of the Commonwealth, to allow the members of the Commonwealth to know one another better should be taken. The interests of all, without in any way interfering with their sovereignty or their national aspirations would be advanced. The Commonwealth is not a monolithic body politically. It is composed in part of countries who belong to the Western bloc, such as Britain, Australia, New Zealand and ourselves. It is also made up of countries like India. India has very close ties with Britain, notwithstanding the history of the early part of this century, and the period following the First and Second World Wars. Yet India is a country that has close ties with some portions of the communist world, for example with the Soviet Union.

I forgot to mention when I was discussing military assistance that when China engaged in aggression against India, notwithstanding the ties of friendship between Mr. Nehru and Mr. Chou En-lai, Canada was among those countries—and this was done by the former Government—which gave military assistance just as did Britain and as did the United States.

Today the President of Pakistan, General Ayub, is conferring with Mr. Chou En-lai who was on his way to Africa and stopped in Karachi to talk with the President of Pakistan. Pakistan does not belong to the communist world, but because of geographic location it understandably must have associations with other Asian states. Those various ties and associations must obviously have the greatest significance for the role that the Commonwealth and its individual members can play in world affairs.

When the Prime Minister of Canada goes to London next month after a week's visit in Ottawa by Prime Minister Shastri of India, he will be given an opportunity of talking with President Ayub and other leaders of the Commonwealth. The exchanges that will take place will certainly have a very valuable bearing on the slow and, I hope, responsible development of the role Canada must play in regard to the great problems of our time.

So, honourable senators, I want you to know that while there is not much public discussion of the Commonwealth in Canada today, I think there is a great understanding in most parts of Canada now, greater than ever before, that this is an institution of nations that is essential and that must be maintained. Its strength must be preserved in the interests not only of its members, but of the world at large.

For many of us the Crown continues to be the symbol of authority, but it is significant that there are many countries in the Commonwealth where this is not the case. This difference without in any way destroying the community of purpose that exists, is, perhaps, one of the reasons why the Commonwealth is so hard to define and yet one of the reasons why its strength in the world is so deeply appreciated. I do not believe I have anything to add at this stage.

The CHAIRMAN: Honourable senators, I am sure we all recognize how valuable it has been for this committee to hear the Secretary of State for External Affairs. He has given us a most comprehensive statement in regard to the Commonwealth as it is today. We have received a great deal of basic information, and in my view the talk we have heard will form a splendid beginning for the work of this committee.

Mr. Minister, on behalf of all of us I express to you our deep appreciation of your coming and talking to us today.

Honourable senators, may I say that the steering committee which met a few days ago has arranged that the next appearance before this committee shall be Mr. H. O. Moran, head of the External Air Office. He has agreed to appear before the committee and I hope that the next meeting will take place as soon as the Senate reconvenes on or after June 22.

Hon. John J. CONNOLLY: Mr. Chairman, I know the hour is late and perhaps members of the committee want to leave. Perhaps the minister also has appointments. The hour is now five to six.

However, this statement has been, I think, of great interest, and I am sure that there are a great many senators who would like to have an opportunity of asking the minister questions. Perhaps he would be good enough to indicate whether on some future occasion, when the report has been made available and members of the committee have had an opportunity to study it, he might come back, which occasion would be an opportunity to discuss some of the things that he has said.

Hon. Mr. MARTIN: I am at the committee's command.

The CHAIRMAN: In that regard, the minister said before he began his address to us that he would be willing to answer any questions we might have. Ordinarily, if it were not so late in the day I would have advised the members of the committee accordingly. However, I am aware of the fact there is another function starting just about now, and I know there are many members here who want to attend it. Also, as the honourable leader has just said, it is 6 o'clock now. Let me express the hope on behalf of all of us that the minister might return at some later date, after the work of the committee has proceeded a little further.

Senator O'LEARY (*Carleton*): Could I ask just one brief question? I do not think I will detain the minister.

The CHAIRMAN: Yes, Senator O'Leary?

Senator O'LEARY (*Carleton*): Over the cables last night came a report by Canadian Press. This is just the first paragraph from it:

Prime Minister Wilson says he supports proposals for a Commonwealth Parliamentary Assembly and a Commonwealth Appeal Court.

The question I would like to ask the minister is: Have there been any approaches, directly or indirectly, on this matter to the Canadian Government? He is speaking of a Commonwealth Parliamentary Assembly and a Commonwealth Appeal Court. Prime Minister Wilson says that he supports these proposals.

Hon. Mr. MARTIN: When I was in London the other day I had the opportunity of discussing this with certain members of the British Government. There has been no formal proposal put to us. There have been discussions about these two matters—I am now speaking personally—and this proposal for a Commonwealth Assembly arises out of the British experience in Council of Europe at Strasbourg. I would be inclined to doubt the feasibility of a Commonwealth Assembly, in this sense.

Senator ROEBUCK: Hear, hear.

Hon. Mr. MARTIN: As to a final court, again I would doubt the feasibility of this. We now have established a final court of appeal in the Supreme Court of Canada. I would doubt that a Commonwealth appeal court was a possible development for us. I would not want to speak for the other countries of the Commonwealth. However, this is a matter on which we have not, as a Government, formally reached a decision, and on which we have not been formally approached. Those would be my immediate reactions, Senator O'Leary.

Senator O'LEARY (*Carleton*): Thank you very much. Your reply is what I hoped it would be.

Senator CONNOLLY (*Ottawa West*): We had a comment a little earlier today about appeals to a Commonwealth court.

The CHAIRMAN: Are we ready to adjourn? Thank you very much, Mr. Martin.

Hon. Mr. MARTIN: Thank you, Mr. Chairman.

The committee adjourned.



Third Session—Twenty-sixth Parliament

1965

THE SENATE OF CANADA
PROCEEDINGS
OF THE
STANDING COMMITTEE ON
EXTERNAL RELATIONS

The Honourable G. S. THORVALDSON, *Chairman*

The Honourable L. M. GOUIN, *Deputy Chairman*

No. 2

Second Proceedings on the Inquiry into Commonwealth Relationships,
with particular reference to the position of Canada within
the Commonwealth

WEDNESDAY, JUNE 30, 1965

WITNESS:

External Aid Office: H. O. Moran, Director General.

APPENDIX

"A"—A Report on Canada's External Aid Programs

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1965

THE STANDING COMMITTEE ON EXTERNAL RELATIONS

The Honourable G. S. THORVALDSON, *Chairman*

The Honourable L. M. GOUIN, *Deputy Chairman*

The Honourable Senators

Aseltine	Jodoin
Blois	Lambert
Boucher	Macdonald (<i>Brantford</i>)
Cameron	McLean
Cook	O'Leary (<i>Carleton</i>)
Crerar	Pouliot
Croll	Quart
Farris	Rattenbury
Fergusson	Roebuck
Flynn	Savoie
Fournier (<i>De Lanaudière</i>)	Smith (<i>Queens-Shelburne</i>)
Gouin	Taylor
Grosart	Thorvaldson
Haig	Vaillancourt
Hayden	Veniot
Hnatyshyn	Vien
Hugessen	Yuzyk—35
Inman	

Ex officio members

Brooks
Connolly (*Ottawa West*)

(Quorum 7)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Tuesday, May 25, 1965.

"Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Thorvaldson, seconded by the Honourable Senator Hnatyshyn:

That the Standing Committee on External Relations be authorized to inquire into the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth;

That the Committee have power to send for persons, papers and records, and to sit during sittings and adjournments of the Senate; and

That the Committee be instructed to report to the House from time to time.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, June 30th, 1965.

Pursuant to notice and adjournment the Standing Committee on External Relations met this day at 9.30 a.m.

Present: Honourable Senators Gouin (*Deputy Chairman*), Boucher, Croll, Fergusson, Grosart, Hnatyshyn, Inman, Pouliot, Quart and Yuzyk—10.

In attendance: R. J. Batt, Assistant Law Clerk and Chief, Committees Branch.

Inquiry into Commonwealth Relationships was further considered.

The following witness was heard:

External Aid Office: H. O. Moran, Director General.

On Motion of the Honourable Senator Yuzyk, it was Resolved to print as Appendix A to this day's proceedings the following:

"A"—Report on Canada's External Aid Programs

At 10.55 a.m. the Committee adjourned to the call of the Chairman.

Attest.

Dale M. Jarvis,
Clerk of the Committee.

THE SENATE

STANDING COMMITTEE ON EXTERNAL RELATIONS

EVIDENCE

OTTAWA, Wednesday, June 30, 1965.

The Standing Committee on External Relations, to which was referred the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth, met this day at 9.30 a.m.

Senator L. M. Gouin, Deputy Chairman, in the Chair.

THE DEPUTY CHAIRMAN: We will now come to order as we have a quorum.

First of all, I wish to read a letter from our chairman, Senator Thorvaldson, dated June 28, 1965:

Dear Senator Gouin:

As you are no doubt aware, there has been scheduled a meeting of the standing committee on external relations for Wednesday at 9.30 a.m.

Unfortunately, it is not possible for me to be in Ottawa this week and consequently I am hoping that you will be available to take the chair at this meeting.

It has been arranged that Mr. H. O. Moran, who is in charge of external aid in the Department of External Affairs, will speak to the committee—

That was the program submitted to us by our chairman at our first meeting on June 3, when we heard the Honourable Paul Martin, that the second person we would hear would be our distinguished visitor, Mr. H. O. Moran, head of the External Aid office in the Department of External Affairs.

The best thing to do would be, if it meets with your approval, to ask Mr. Moran to make a general statement and then you would ask any questions which you would think relevant or interesting.

We have also with us Mr. E. Drake, who is Executive Assistant to the External Aid office. Therefore, Mr. Moran, would you be kind enough to give us first a general idea about external aid to the countries of the Commonwealth?

Mr. H. O. Moran, Director General, External Aid Office: Thank you, Mr. Chairman.

On an organizational matter, I might point out that the External Aid office is not a part of the Department of External Affairs. The confusion arises on this point in part because of our name and in part because we report to the same minister as the Department of External Affairs. Also, there is the fact that I happen to belong to that department, since it is my own parent department and I will one day return there.

I was asked to take on this assignment temporarily when the Government decided to set up this centralized agency and transfer to it all aspects of its bilateral aid operations which before then had been scattered through a great number of Government departments and agencies in Ottawa.

Mr. Drake, who is with me this morning, is also a member of the Department of External Affairs.

There is an arrangement under which officers from the departments most directly concerned with aid—such as the Departments of External Affairs, Finance, Trade and Commerce—second personnel to the External Aid office for periods of two years. Mr. Drake, who has served in Pakistan and has also done a tour of duty in Malaysia, is therefore quite familiar with affairs in South-east Asia and is currently doing his two-year secondment period with the External Aid office.

Yesterday morning, Mr. Chairman, I had the privilege of being with the Senate Committee on Finance and as I know there is duplication in membership in the two committees I would not want to take the time of senators this morning repeating the same information and ploughing old ground again. While I am prepared, if it is your wish, to make some introductory remarks about the aid program, I have not come with any prepared statement. It might be more satisfactory to senators if I simply attempt to answer their questions, as I might otherwise deal with matters with which they are already familiar.

Senator POULIOT: I do not want to interrupt Mr. Moran, but yesterday I listened to him in the other committee and I have just two or three questions to ask him. There are three kinds of aid given by Canada to other countries. In the first place there is aid to NATO. Do you deal with that?

Mr. MORAN: No, sir, we have no connection whatever with military assistance. Over the years the Canadian Government has always been most careful to separate completely any military activities from the economic development assistance activities.

Senator POULIOT: I mean aid to Great Britain, France, Germany, Turkey.

Mr. MORAN: That is under the NATO Mutual Aid Program and has no connection with the External Aid office which deals solely with economic assistance for developing countries.

Senator POULIOT: Who looks after that?

Mr. MORAN: Partly the Department of External Affairs, as far as direct policy questions are concerned; the Department of National Defence, in respect of the provision of equipment; and of course it is a subject that is considered interdepartmentally on questions of general policy.

Senator POULIOT: It does not come under you?

Mr. MORAN: No.

Senator POULIOT: Who is the gentleman under whom it comes?

Mr. MORAN: I would think that if one wanted to get information on our Mutual Aid Program, it would be best to speak to the head of the Defence Liaison Division in the Department of External Affairs, who I believe is at the present time Mr. Arthur Menzies.

Senator POULIOT: The same name as the Premier of—

Mr. MORAN: Australia; but not the same age.

Senator POULIOT: I am not familiar enough with him. There used to be aid to the United Nations. Does that come under your office?

Mr. MORAN: The aid to the United Nations is in the form of cash contributions. It simply means each year a cheque is written and handed over to the appropriate United Nations agency, the U.N. special fund or the U.N. Technical Assistance Program. The United Nations of course operates its own programs independently, in the same way that Canada independently operates its bilateral programs. So it is not a matter of coming under the External Aid Office.

Senator POULIOT: I have another question, and this is a hypothetical one. Suppose that the Emperor Haile Selassie, of Ethiopia, or the Shah of Iran should come here to ask for aid, who would have the responsibility in the

department of looking after that aid? This is a hypothetical question. Who looks after aid to any one of the United Nations, under the Department of External Affairs?

Mr. MORAN: At the official level—and perhaps I should not be speaking on this, because as I explained I am not at present a member of the Department of External Affairs, I am on secondment from there—from my experience in that department I would suggest the answer to your question is the official who has the primary responsibility for the field in which the visitor is seeking aid.

If it is military aid, I have suggested that Mr. Menzies, head of the Defence Liaison Division would be the proper person.

If it were economic assistance he was looking for, then the approach would be made to the External Aid office.

Senator POULIOT: Who is head of that?

Mr. MORAN: At the moment I am.

Senator POULIOT: At the moment you are the head of that office and you look after the aid given to the Commonwealth countries?

Mr. MORAN: I look after the aid given to all countries eligible to receive Canadian assistance under its various programs.

The DEPUTY CHAIRMAN: If you would allow me—I am not trying to prevent questions being asked but here we are interested in Commonwealth problems. It affects us to some extent, of course, if we give aid to a foreign country which is not a member of the Commonwealth, but the Commonwealth is our main consideration.

Senator POULIOT: This is the point I am going to make. I want to know if Mr. Moran looks after the aid to the United Nations as well as to Commonwealth countries, and I make a distinction because many Commonwealth countries are part of the United Nations. But there is a very subtle distinction made between United Nations and Commonwealth countries. Some of the members of the United Nations do not belong to the Commonwealth while the whole Commonwealth belongs to the United Nations. Isn't that right?

Mr. MORAN: The External Aid Office is responsible for the operation of Canada's various bilateral aid programs and its aid flows to a large number of countries, not exclusively to Commonwealth countries. Last year 63 countries received assistance from Canada under its aid program. I have no responsibility for what the United Nations does. It is an independent body which operates its own programs within its own policies and procedures laid down by the United Nations. Assistance is extended with funds that are subscribed by member countries of which Canada is one. Canada is one of the leading contributors to the various United Nations programs. I think you will find if you look at the reports of the specialized agencies that Canada ranks third or fourth among contributing nations. The United Nations special fund is an example. Under that program some of their assistance is similar in nature and type to the assistance that Canada gives under its own bilateral programs, but Canada was the fourth largest subscriber to the special fund during those years when it contributed \$2½ million. Last year Canada increased its subscription to the special fund to \$5 million, double the previous amount. This is the way in which Canada makes its contribution to the United Nations, not by any attempt to run its programs or by being responsible for what aid the United Nations gives, but through the contributions made to the agencies who carry on their own work in their own way.

Senator POULIOT: Is the amount of the Canadian contribution set by the United Nations? I will put it more clearly. Does the United Nations fix the amount of contributions from Canada?

Mr. MORAN: It is not appropriate for me to attempt to answer these questions. I have explained that I have no responsibility for the field in which you are questioning. I am giving answers only against the background of experience I have had in the Department of External Affairs in previous years. The United Nations does not set the amount of contributions at this time for the Canadian Government, but as far as contributions to the general budget of the United Nations are concerned they are related to a percentage basis which must, of course, be acceptable to the contributing country. This basis is only a guide for contributions to the agencies and in the case of Canada it is three point something for the United Nations regular budget.

Senator POULIOT: I understand there is a fund under the direct management of the United Nations and that the contributions to that fund are set by the United Nations.

Mr. MORAN: No, senator.

Senator POULIOT: It is not?

Mr. MORAN: No.

Senator GROSART: I was going to suggest, Mr. Chairman, that I think it is not fair to ask Mr. Moran to answer questions in this area. For one thing yesterday in the Finance Committee a representative of the Department of External Affairs was present and gave us some of the answers.

Senator FERGUSON: Mr. Chairman, I had signified I wanted to speak before Senator Grosart. However I would like to remind the chairman and Mr. Moran that there were many committee meetings yesterday morning and there was duplication with the Finance Committee and this committee, but there was also duplication with others. We could not all be present but it may be that Mr. Moran recognizes the most important people as being now here who were present at the meeting yesterday. However my colleagues and I were not able to be there and we are very interested in this matter. We would like Mr. Moran to tell us something more about his own department and then we can ask questions.

Senator POULIOT: You are perfectly right, Senator Fergusson, and we are being perfectly clouded by the answers. Now I know who is refusing to answer my questions. I will find you in the Senate. I know who does not want the questions answered.

Senator FERGUSON: I did not say anything like that. I said you are entitled to ask questions but we have a right to have a statement from the witness first before the questions are asked at all.

Senator POULIOT: You are perfectly right and we are entitled to have the witness answer our questions.

Senator FERGUSON: I think you are being unfair.

The DEPUTY CHAIRMAN: I am sorry I could not ask you to speak before, Senator Fergusson, because I did not want to interrupt Senator Pouliot. But I want to repeat that we are interested only in the aid to countries of the Commonwealth. There are 21 countries forming the Commonwealth and there are 115 belonging to the United Nations. For that reason we have to limit the discussion to what I have just said.

Senator POULIOT: I want you to understand something. The questions I was asking I believed to be relevant. But I always have Senator Grosart in my way. It is always the same every time I ask a question about External Affairs. It was the same thing when he told me that the contribution of Canada to NATO nations was old war material. It is impossible to get the truth around here because we always have someone to trip us up. I will say goodbye in the friendliest possible way, and I will say goodbye to Mr. Moran. I was not

satisfied with the answers to my questions about the Commonwealth and the United Nations. There is nothing like speaking openly. I say goodbye in the friendliest way. I always find Senator Grosart in my way. We have an infinity of ambassadors for such a small country. And I think it is important we should get the information we seek.

Senator FERGUSON: I would like to say that I do not take second place to Senator Grosart in defending the employees of the department of External Aid.

Senator POULIOT: You are perfectly right, Senator Fergusson, and I believe that in politics opinions are free.

The DEPUTY CHAIRMAN: The incident is closed and we will ask Mr. Moran to continue, and I think we all agree that the questions should bear only on countries which form part of the Commonwealth. I did not have time to read the evidence which was given by Mr. Moran yesterday. As a matter of fact, I do not think I even found it at the post office this morning, so perhaps you could say just a few words of your testimony of yesterday which related to the nations of the Commonwealth. This would, I think, be the best introduction we could obtain on that subject.

Mr. MORAN: Yes, Mr. Chairman. What I had in mind, of course, is that it would be unfair to senators for me to take their time to review again aid activities, if they, having had the testimony of another committee yesterday—not having been present but having read it—came here to have it repeated. However, I am very happy to do this if it is the wish of the senators.

Senator FERGUSON: It will be some weeks—or, at least, some days before we could possibly read that testimony.

Mr. MORAN: I had your interests in mind in making the suggestion. Also it had not been indicated to me that the meeting this morning would confine itself to the Commonwealth—

The DEPUTY CHAIRMAN: I think we all agree on that.

Mr. MORAN: —because the aid activities of Canada go beyond the Commonwealth. I am prepared to speak on any aspect of the operation, whether it is concerned with the form of Canadian aid, with its direction, or whatever senators would like to hear. I would be very pleased to try to explain our operations.

The DEPUTY CHAIRMAN: Perhaps you could give us an idea of the total amount which is given to countries of the Commonwealth.

Mr. MORAN: Last year Canadian appropriations for all forms of economic development assistance amounted to \$226 million.

Senator GROSART: Mr. Chairman, could I make a suggestion?

The DEPUTY CHAIRMAN: Yes, Senator Grosart.

Senator GROSART: Mr. Moran has had prepared for the Commons committee this excellent summary, and I believe there are a few copies around. Would you have a few copies that could be passed around? I am sure they would be very helpful. I agree entirely with Senator Fergusson that in spite of the fact that Mr. Moran did go over this ground very extensively yesterday, and I read part of his evidence, I do think that the evidence is of such a nature that it would stand being repeated, at least in outline.

Senator QUART: Maybe, Mr. Moran, since we are all giving our little five cents contribution, you have prepared something to tell us this morning on a particular area where you are interested, and without repeating all of your testimony of yesterday you could give us a brief outline, and then if time permits we could ask questions on it. In a few weeks we will have the statement of yesterday. I am sure you came prepared for something.

Mr. MORAN: I did not bring a formal statement, senator. I was asked some time ago to attend, at some period during this committee's deliberations, to answer any questions that might arise in the field of aid, which I would be very happy to do. Senator Thorvaldson was in touch with me, I think it was a couple of weeks ago, to say this would probably be in the morning of June 30, and it was confirmed yesterday by the clerk of the committee that the committee would meet at 9.30 this morning.

As I say, I am very happy to go over any ground that senators will not feel is a waste of their time. If you want me to outline generally what Canada does in the field of aid, I will be very happy to do this.

Senator FERGUSON: Mr. Moran, in my province of New Brunswick I have been told by people who would like to take part in going abroad to do some work that they hope would be helpful that they found they did not have the necessary educational qualifications. Can you tell us the educational qualifications one has to have to be accepted to be appointed somewhere abroad, and if sometimes less is required than is set out? If you would not mind talking a little about that that would be helpful. Maybe if I read this I would know.

Mr. MORAN: No, it is not in that document, Senator Fergusson. In regard to teachers and professors, they must be certificated; they must have the required academic qualifications.

Senator FERGUSON: But I have had teachers tell me that they did not have high enough qualifications.

Mr. MORAN: In the field of technical advisers what one is looking for there is the necessary qualification in their profession or calling, plus fairly extensive practical experience, because such people, in the main, are going out to instruct others or, in some cases, to establish a department or a new organization, and what is most important is, of course, practical experience.

In the case of teachers, secondary school teachers, we rely very much on the provincial departments of education to assess the individual's qualifications. Each department of education has set up, on our behalf, an interviewing board, and each year we refer to the appropriate department of education all of the applications from residents of that province, and it later makes its recommendations to us.

The requirements are related to the job the individual is going out to fill, and if we are asked to assign someone, for example, to head a mathematics department, obviously the qualifications required of him are higher than those of a straight teacher of mathematics. Or on occasions we may be asked to find a person who is suitably qualified to be the principal of a school. There again, the academic qualifications but particularly the experience of the individual must be greater than those of the person who is simply going out to be a member of the staff.

In summary, I suppose what I am saying is that the qualifications we seek are directly related to the responsibilities the man will be asked to discharge when he gets abroad.

Senator FERGUSON: Would you tell me if you have many more applications for positions abroad than you are able to assign?

Mr. MORAN: No, it is the reverse.

Senator INMAN: What other fields are there in which positions are open abroad?

Mr. MORAN: As advisers?

Senator INMAN: Yes. I know doctors and nurses, of course, go.

Mr. MORAN: Yes.

Senator INMAN: But what others?

Mr. MORAN: With regard to teachers, I think the disciplines in which we are most frequently seeking personnel are mathematics, physics, some of the sciences and languages. Then among technical advisers, they range from agriculture to zoology and all the fields in between—engineering, biology, metallurgy, and so on. But we never know from month to month what we will be asked to supply. On occasion someone will come to me and say, "I have a friend who has volunteered his services and has not received an appointment. This was a year ago, and yet you tell us you are looking for people." This is so but we may not have been asked to fill a vacancy with someone of that particular person's qualifications.

Also, there are fields in which Canada is not able to supply qualified personnel. Tropical agriculture is a good example. We have very few persons in Canada who are experienced in tropical agriculture, and because they are so few it is very difficult for their employing agencies to spare them. Tropical medicine is another where our capabilities are limited, either for training programs or supplying personnel to go abroad.

Senator YUZYK: This would not be quite expected of Canada, would it, where we would not be pursuing such fields as tropical agriculture?

Mr. MORAN: We might not be requested to, but I was relating the needs of developing countries to Canada's capabilities to supply. I was illustrating that among the areas where we have only limited abilities is the field of tropical agriculture and tropical medicine.

Senator YUZYK: In such cases the department makes no commitments?

Mr. MORAN: We probably would not be asked.

Senator CROLL: Yesterday in the income tax bill we dealt with a section which I think for the first time made some provision for teachers and others, Canadians living in Canada who were sent abroad, for the purpose of alleviating taxation. In view of the fact that this has been going on for many years, you have been sending people abroad, how is it that up until now no steps were taken to give those people the benefit of whatever they will get now under the new tax laws?

Mr. MORAN: They have always had this benefit, senator, but it has never been on any regularized basis. It is really the Department of National Revenue which is better able to answer this question. I can tell you the history of our side as I know it.

Until the early 1960s there were very few Canadians who were sent abroad under Government programs. In 1960 I think the total number was 83. But as greater emphasis was placed on education and technical assistance, more and more Canadians were being recruited and sent overseas, until last year there was something like 545 sent abroad. There never has been a standard tax procedure to apply to those people. In some cases they were declared exempt from Canadian income tax if they were abroad for the whole year. On other occasions, after they returned to Canada, it was found that they had been regarded as still being residents of Canada and they received a tax bill. What we have been trying to do, for the last two or three years, is to have a standard regulation that would apply in those cases where the person had been abroad for one year or two years and who would normally be exempt from Canadian income tax. If he received an assessment, this was paid by the External Aid office, because his salary had been struck at a rate not anticipating that he would be charged income tax while abroad.

So this bill which has gone forward, not under our sponsorship but under that of the Department of National Revenue I believe, is really intended to regularize the practice. However, it will effect no change in the teachers' financial position.

Senator CROLL: It is settled at the request of the Department of External Affairs?

Mr. MORAN: Yes. We wanted to regularize what was happening. Some were free of income tax and others who got a bill would say: "We signed an agreement that we would be paid this amount of money free of income tax" and we were then obliged to pay the tax bill on their behalf. While this has been drafted in other places, it is my understanding that it will now clear up this problem and everyone in the future will be on the same basis.

Senator GROSART: It is obvious, from the earlier part of the proceedings today, that there is a great deal of misunderstanding in this area of aid. I would like to suggest that this committee undertake to bring together all the figures of Canada's contributions to peacekeeping abroad in all its aspects.

The term "aid" has come to have, I think, a quite technical meaning. I think Mr. Moran would agree with that. For example, on page 5 of this document called a Report on Canada's External Aid Programs, dated June 1965, at about halfway down we find the title "Total Canadian Aid Effort". In that total figure of \$226.1 million we have an addition of the total amounts in our bilateral aid program under Mr. Moran's department, plus two items of multi-lateral aid grants, in the last two items. I think it is quite evident that that phrase, taken out of context, "total Canadian aid effort" would not give the true picture of the amount of money that Canada is spending abroad in aid of one kind or another.

Our expenditures in Asia and our expenditures in NATO, are not all military, by any means, as we make substantial contributions there to the infrastructure of NATO. It is doubtful if our mission in Viet Nam could be strictly called military. I am not particularly concerned whether someone can put a military label on it or not.

I suggest that the misunderstanding which has arisen, and of which we had an example this morning, is due to the fact that, as far as I know, there is no single document bringing these figures together. In committee I have heard this misunderstanding arise over and over again.

I am going to suggest to the Chair and to the Steering Committee that it might be very useful to call somebody, perhaps from the Treasury Board, to bring all these figures together. I say that because Canada has been unfairly criticized over and over again in this field. I have heard it myself abroad, and we read of it frequently. Mr. Moran yesterday gave us an excellent answer to this criticism, that there is a general standard set for the developing nations that they should contribute 1 per cent of the gross national product, and the Canadian figure is put at .4. The average, I think, of all the donor countries rates as .7. These figures are repeated to show that Canada is dragging its heels.

It was said this morning that I put myself in the position of defending the External Aid office. I do not think it needs defence on its operations, but does perhaps need defence against some of those misunderstandings and mis-statements. I am very proud myself if I have developed the reputation of defending Canada's external aid programs. I have heard criticisms of the amounts. I have investigated some of them on the spot. I am convinced that this is one of the finest things Canada is doing in the world today, if not the finest.

I know these misunderstandings exist and I make that suggestion because I think it would be useful to bring all these figures together, to give the total figure, the total amount of our substance that we are contributing in one way or another to a better world.

Secondly, I would like to make this suggestion, that this report on Canada's external aid program be published by the External Aid office. I

myself have gathered information over the years for my own purposes. I have found it in former reports of Mr. Moran, I have found it in speeches by Mr. Martin and in speeches by Mr. Sharp, in which our philosophy of aid is laid down. I would suggest that this material be brought together and published and widely distributed. I would suggest that this might come as a formal suggestion from this committee, if it would help the External Aid office to get the funds and to convince others that this would be done.

Other nations do this. There are very fine booklets published by other donor countries. I think the United Kingdom particularly does a tremendous propaganda job on its own external aid program. I make that suggestion to the committee for what it is worth.

THE DEPUTY CHAIRMAN: I wish to thank Senator Grosart for his remarks, which are very interesting. I believe that there may be some others to follow. First of all, we would try to obtain what I would call the real total of external aid, whether it is education, health, or even military aid. You want the total of everything, and apparently Senator Grosart is quite right when he stated it is probably from the Treasury Board that we could obtain the information. Otherwise, each department knows officially only what it itself is spending.

I suggest that at this time of the session the best thing for me would be to take it up with our chairman, Senator Thorvaldson. I do not anticipate objection from him—on the contrary—but I would like to arrange with him the best way to secure the information.

The second point is the publication of this memorandum—which I for one have not received and which is certainly what I would call a mine of information. This again I would like to take up with our chairman, so that we could come back to the committee in the near future and submit the manner in which we believe we should try to obtain from the Government the printing of this report of external aid and its widest possible distribution. Thank you very much, Senator Grosart.

Senator CROLL: I am always impressed, Mr. Moran, by the figures that France does more in the way of external aid than any other country in the world. It always bothers my conscience a little as a Canadian, and this applies to countries like the United States and Russia for example. What are they doing? Are they actually laying out that kind of money, or is it a percentage, or why is it that they can do it so well and others do not do it so well.

Mr. MORAN: One of the severe problems in this whole area of comparative aid, senator, is the absence, as I mentioned yesterday, of any agreed definition of what really constitutes aid. It really depends on two things, the country's own submission of figures and what has been included, and secondly, the willingness of international forums, such as the Development Assistance Committee, to accept the figures that are registered.

In the Development Assistance Committee they say that any loan in excess of five years maturity can be regarded as aid. They have also accepted the budgetary support which some countries are extending to dependent territories. Countries like Britain and France which have extensive responsibilities for dependent territories do, of course, disburse large amounts of money in actual administration, which is a form of aid. But in the figures that are filed with the Development Assistance Committee, for example, there is no detailed breakdown that would enable you to identify every type of expenditure included.

It has been suggested, for example, that some countries—this has not been a specific criticism, but has been a general one—which have civil servants filling permanent positions in overseas countries include in their aid programs the salaries and costs in connection with these jobs.

One of the things I have always tried to emphasize to Canadians, when they feel unduly sensitive about the volume of their aid program, is not to

forget the quality factors, which are terribly important. Canada's aid is given on the most generous terms of any donor nation. Until three years ago all Canadian assistance was in the form of grants which require no repayment of capital and no repayment of interest. Think, for example, where India would be today, a country about which everybody is anxious because of its debt servicing burden, if Canada's grant contributions, amounting to something in excess of \$235 million over the years, had been in a repayable form. India would now be faced with obligations to repay this capital. The debts which now face India were not imposed by Canada. The new loan program which was introduced last year by Canada has terms of up to 50 years maturity, a ten year grace period and no interest rate. This has been matched, until last week, only by the International Development Association.

Last week the British Government announced similar terms for a loan program that will be introduced in this fiscal year. So the concessional terms of Canada's assistance is something for Canadians to keep in mind.

Another thing to keep in mind is the nature of the assistance. India and Pakistan, about four years ago, reached a stage in their development where the most vital requirements were commodities—spare parts and raw materials to feed an industrial base. They made an appeal to the member countries of the World Bank Consortium to respond to this type of assistance, and the World Bank, supporting this plea, asked donor nations to aim at having at least 40 per cent of their program for each of these two countries, take the form of commodities. In our case, we have supplied nickel, aluminium, fertilizers and other non-project items.

There were two countries which responded immediately, one was the United States and the other was Canada. Over these past four years, in recognition of this vital need, the Canadian portion of non-project assistance for these two countries has been increasing until last year it was something in excess of 60 per cent of our program.

Some other nations have said that their aid must be in the form of projects, and I can remember the representative of India in a Consortium meeting pointing out that this insistence on project aid was forcing his country to spend funds on additional capacity when it was not making full use of the existing capacity. This is the second thing to keep in mind when considering the effectiveness of the Canadian program of aid. All of the advanced nations could be giving one per cent of their g.n.p. and yet not be effectively meeting the urgent requirements of these developing countries, because we might not be providing the type of aid that is so vitally needed.

Senator CROLL: Mr. Moran, this is my impression, and it may not be shared around the table, that Canadians have a bit of a bad conscience, living in an affluent and abundant society, and feel that we could do more and more. Their impression, I think, is that we have a feeling for India and Pakistan, but cannot feel the same way toward the Caribbean and that that part of the world is being neglected by us. I am speaking of the man on the street. I do not know how much he knows about it; he probably knows about as much as I do, except that perhaps I know more about the people who are running the country down there and have confidence in them. However, they feel that we are not doing enough. People as tourists visit the Caribbean, and they ask why we cannot do something in these islands, and those islands. That is the way people judge things. Of course, they are not judges of quality. I do not suggest that you drop your quality at all, but that is the general feeling I get from speaking to people.

Mr. MORAN: As for the first part of your question, Senator Croll, I have lived for about eight and a half years in the developing countries of the Middle East and Southeast Asia, and certainly their requirements are beyond

my ability to describe to Canadians. We have no conception in this country, nor can we readily visualize what an average per capita income of \$60 a year actually means.

In Pakistan my heart ached when I saw the man who worked in the garden. He was being paid \$14 a month, which made him such a highly paid employee that I felt uncomfortable vis-à-vis other employees in the area. This was a tremendous wage I was giving him. On that \$14 a month he kept a wife, maintained a house and had four children whom he was trying to educate and feed. So we have no conception of the hardship there.

I would not for one moment suggest that what is being done by the western world, including Canada, is in any sense adequate when measured against the immense needs, but what I have tried to do is to bring the Canadian point of view on this matter into perspective. I say do not be concerned solely with quantity, which is important, but think also in terms of the quality of the Canadian assistance, the soft terms on which it is offered, the type of help we are giving to these countries; such factors offset in part what may be regarded by some as an inadequate financial effort.

On the second part of your question, the Caribbean is very important to Canadians right across this country as an area of very direct interest. Not, as has been suggested on some occasions, only to people living in the Maritimes, but I find this interest to be right across Canada. This interest is increasing because of the growing number of Canadian tourists and businessmen who go to this area every winter and who come back as ambassadors, in fact really as pleaders on behalf of the islands which they have visited. On one particular day last month I had three Canadians come to my office and each had been to a different island in the Leeward and Windward group. To the man who advocated assistance for island "A", I mentioned that we had also received representations on behalf of island "B" but he declared we should not give anything to island "B". The third visitor agreed that only island "C" was worth supporting. This is a good thing. Each had been impressed with the growth potential of the island he had just visited.

Canada was, I suppose, next to Britain, which has the constitutional responsibilities for the little eight, the first country to go into the Caribbean with its own bilateral aid program. In 1958-59 a program of \$10 million over a five-year period was introduced. When it expired the Government agreed to continue the aid in the following year at the same average annual level—about \$2 million. Last year the assistance was increased five times, to \$10 million.

I find a difference of view among Canadians, which is one of the problems in operating an aid program. We like to know the views of the Canadian public, because after all it is their money we are spending, but it seems impossible to obtain a consensus on what the public feels should be accomplished by an aid program and where the aid should be directed. In the case of the Caribbean my mail is about equally divided between the persons who say that Trinidad and Jamaica are so close to the take-off point we should forget about the little islands for the time being—tell them we will eventually return—and concentrate our efforts in Trinidad and Jamaica until they are in fact launched. The other Canadians tell us that because Trinidad and Jamaica are so far in advance of the little islands we should forget about them for the time being and concentrate all our assistance in the little islands until we have narrowed this gap. These are strongly held views and both are argued with conviction.

Senator CROLL: And of course both are arguing that you should do more than you do.

Mr. MORAN: Yes, but often to do more in a concentrated way in a particular area of the Caribbean. Some people do not argue for more, they argue for a redirection of the present expenditures. From an administrative point of view—and this of course is not necessarily the governing factor—but from an administrative point of view it should be easier to maintain a program in Trinidad and Jamaica than in the Leeward and Windward Islands. The reasons are that first of all they are independent; they are countries with which you can negotiate directly and also they are somewhat more advanced economically and thus have a greater absorptive capacity. Whereas the little islands, being dependent territories, must receive the authority of London before they can participate in anything that may involve an actual expenditure or potential expenditure of funds. This is natural because Britain has the responsibility for the budgetary support and administration of these islands. In the matter of costs it has been the normal policy of Canada and other donor nations to pay the foreign exchange costs in toto, while the overseas country meets the local costs. But here again the little islands must go to Britain and ask if they can enter into such an arrangement. The dock at St. Vincent which you will have seen when you visited the island last year was built by Canada at a cost of \$1 million. The costs of local labour and local materials amounted to some \$300,000. St. Vincent got the money by borrowing in the financial market in London but to obtain the loan they had to get the British Government to act as guarantor. So that there are these administrative complications which make it less easy to negotiate, less easy to develop a project in the Leeward and Windward Islands than in Trinidad and Jamaica.

On our side, I may say we would very much welcome expressions of views about where the Canadian effort ought to be directed because if we are to have responsibility for making recommendations, it is helpful to feel that we are representing the views of the Canadian people.

Senator GROSART: Is it not the case that there is a historic sequence here, that the reason our commitments are so large in India and Pakistan is because they were the first two underdeveloped Commonwealth nations to become independent, and that similarly in the Caribbean our commitments are much higher in Trinidad, Tobago and Jamaica than in others for the same reason that these are independent Commonwealth nations?

Mr. MORAN: This is one reason, but I think there are others. One reason, as you say, is that the first area into which a co-ordinated aid effort on an international scale was introduced was Southeast Asia. This began as a Commonwealth initiative where the advanced countries of the Commonwealth came together to decide what could be done to strengthen the economies of countries like India, Pakistan, Ceylon and Malaysia, and from that has grown the assistance programs for other parts of the world. The Colombo Plan started in 1951 and for the next eight years it was Canada's only bilateral aid program. The other programs have been of more recent origin.

A second reason is the respective needs of the two areas. India has a per capita annual income of \$65, whereas in countries like Trinidad and Jamaica it is in the neighbourhood of \$260. Trinidad and Jamaica are not, by their own admission, in need of assistance on as soft terms as many of these exceedingly poor countries of Asia. Trinidad and Jamaica need help on terms softer than the normal commercial terms, of course, but in the case of India and Pakistan they are not in a position to undertake any substantial repayments today.

Population is another consideration. If you take India and Pakistan alone their population is greater than all of North America, Latin America, Western Europe and the Caribbean combined. Consider the individual islands in the Caribbean with something like 600,000 people or 800,000 people and then think of India with a population growth of a little over 11 million a year. This

means 11 million additional people to feed, to clothe and to house in India every year. These are some of the other reasons which I think make the figures for countries like India and Pakistan larger than those for the Caribbean.

Senator GROSART: Would you say that almost all the French aid goes to former dependencies of France and that to some extent France is assuming a moral if not a financial obligation built up over the years?

Mr. MORAN: There are two main areas of Canadian assistance. One area consists of the Commonwealth countries.

All of the developing countries of the Commonwealth are eligible for Canadian assistance, and because of the bilingual and bicultural nature of our country we are in a special position to help French language countries, as we are doing through a program for the French states of Africa and also for the French language countries of South-east Asia—Vietnam, Laos and Cambodia. The percentage increase under last year's expanded program was highest in French Africa; it was increased by 13 times, from \$300,000 to \$4 million.

Senator GROSART: I do not think I made my question clear. I was speaking of the aid given by France, and I asked if it was not true that most of their aid goes to their own former dependencies and, therefore, is part of an historic obligation. They are really paying back to some extent the money they took out over the years.

Mr. MORAN: That is so as to where its aid goes but France is now extending its operations to other parts of the world. For example, they have entered the consortia of the World Bank for both India and Pakistan. But it is true the major portion of their development assistance does go, and understandably I think, to the dependencies and former dependent territories in Africa.

Senator FERGUSSON: Some of the aid that is given by the United Nations agencies requires the recipient to at least match the amount the donor is giving. I gather from what you said this is not required in the case of grants made by our Department of External Aid.

Mr. MORAN: We do not demand a matching formula—in other words, we do not say we will give a dollar if they put up a dollar.

Senator FERGUSSON: I know, but this is the case in several of the United Nations agencies.

Mr. MORAN: Perhaps we accomplish the same thing a different way. What we do is to undertake a project and pay all the foreign exchange costs provided on this side, they undertake certain responsibilities. If you turn to page 28 in this book you will see tabulated the Canadian share and the local Government's share of a number of projects. If these two columns were totalled, as they were last year you would see the division is just about 50-50. The proportions vary. If you take the geological survey in India you will see it is going to cost very much more in local currency than in dollars. Perhaps a better example is the Idikki hydro-electric project in India. On the other hand, a project like the mapping and airborne geophysics survey in Nigeria is almost all in foreign exchange and very little in local cost. The reason we prefer this system to that of the U.N. is because it does not impose a burden on the overseas country's foreign exchange resources. If we insisted in a matching formula it might turn out that we were forcing them to use foreign exchange, whereas under our formula their expenditure is confined to local currency.

Senator FERGUSSON: The countries are not always required to put up that much money. They supply things that can be secured in their own countries and not necessarily in foreign exchange. When you referred to the dock concerning which you said Canada provided \$1 million and the country involved paid about \$300 million, that seemed quite a difference to me.

Mr. MORAN: This was an example of the proportion of foreign exchange and local costs. If we had made it a fifty-fifty proposition we would have involved St. Vincent in an expenditure of some 200,000 Canadian dollars which they do not have. We ask the local government to pay for local labour and local materials and perhaps accommodation for Canadian personnel; or they may provide transportation for Canadians on the job. If it is a construction job, for example, they usually make available vehicles to move personnel to and from the site.

Senator FERGUSSON: I am not criticizing, but am just asking for clarification.

Senator QUART: Does Canada give any aid to Martinique?

Mr. MORAN: I do not think so, unless there was a small amount of technical assistance last year; I doubt we had any students. No, none.

Senator CROLL: France can look after them.

Senator QUART: But they do not. I am just wondering.

Senator GROSART: What about St. Pierre et Miquelon?

Senator QUART: They are busy bootlegging!

Mr. MORAN: The fact that Canada did not extend aid last year to Mauritius does not necessarily mean it was unable to do so. This is a responsive program, in which we respond to requests that come to us from the eligible countries, and they may not have selected Canada to fill any of their requirements. This is one of the reasons, when we enter a new geographical area, it takes a little time to get the program under way. Mr. Martin mentioned this yesterday afternoon before the House of Commons committee, when he said it requires time for the overseas country to become familiar with Canadian capabilities, and for us, to learn of their priorities. Last year was the first time for a major Canadian effort in that part of the world.

Senator QUART: I am not criticizing in any way, but it is such a poverty-stricken place compared to Trinidad and Tobago.

Senator FERGUSSON: Mr. Chairman, in view of the fact the Senate is meeting at 11 o'clock this morning, though we have a great deal of information, perhaps it might be in order that I move the adjournment of the committee.

Senator QUART: May I ask one question?

The DEPUTY CHAIRMAN: Yes, senator.

Senator QUART: Regarding the Commonwealth scholarship and fellowship plan. The students—and I happen to have had a request from students in Quebec City—the ones who go there for the summer, where would they put in their application? I know some who applied in September of last year to go over, and they are going over to England, and I think they applied to External Affairs, but they are the ones who are in first year university or something of this kind, and they just go for their vacation. Where does that fit in?

Mr. MORAN: Could I, please senator, for the record say that Mr. Drake has brought to my attention that the country you mentioned was Martinique. I was talking in terms of Mauritius. Martinique would not be eligible for Canadian assistance. I am sorry, I was speaking in terms of Mauritius rather than Martinique.

We have no connection at all, Senator Quart, with Canadian students going overseas. Our activities relate solely to Canadians being sent abroad for assignments to work in developing countries, or to bring students and trainees from developing countries into Canada for training.

There is a variety of ways in which Canadian scholars can obtain scholarships for study abroad. One is under the Commonwealth scholarship program. There are other scholarships which are communicated through university channels, but not through us.

Senator QUART: Not directly through External Affairs?

Mr. MORAN: Maybe through External Affairs—

Senator QUART: I do not want to put you on the spot.

Mr. MORAN: —maybe through External Affairs; I could not answer that. Perhaps the Information Division of External Affairs could give some advice.

The DEPUTY CHAIRMAN: We have something from External Affairs.

Before thanking Mr. Moran, I would like to suggest to the committee that we print as forming part of our proceedings to date what I would call the Blue Report on Canada's External Aid Programs.

Mr. MORAN: There are two things. This report is prepared each year and in the past we have made it available to anyone who has asked for it. We will do so again this year. The other consideration is that the committee which it appeared before yesterday intends, I understand, to make it an appendix to its record of proceedings.

The DEPUTY CHAIRMAN: Honourable senators, is it agreed that, subject to approval by Senator Thorvaldson, the chairman of this committee, this document entitled "Report on Canada's External Aid Program" be printed as an appendix to today's proceedings?

Hon. SENATORS: Agreed.

See Appendix "A".

The DEPUTY CHAIRMAN: Then, all that remains is for me to thank you, Mr. Moran, and I am sorry to say that I have only a few seconds in which to do that. Your testimony has been most interesting. You have answered all the questions that you could possibly answer, and we appreciate very much your co-operation. It may happen that in the future we shall have to call on you again.

Thank you very much, Mr. Moran, and thank you, Mr. Drake.

The committee adjourned.

APPENDIX "A"

A REPORT ON CANADA'S EXTERNAL AID PROGRAMS

EXTERNAL AID OFFICE

June 1965

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CANADA'S DEVELOPMENT ASSISTANCE PROGRAM

INTRODUCTION

This report summarizes activities under Canada's bilateral development assistance programs in the fiscal year 1964-65.

Appropriations and Expenditures

Funds for aid purposes for which the External Aid Office has operational and administrative responsibilities were appropriated under the following

Votes:

Grants: Vote 35

1. Economic, technical, educational and other assistance (including International Emergency Relief):	60.6 million
2. International Food Aid Program: (including \$7 million supplementary)	22.0 "

Loans: Vote L14A

Special loan assistance for developing countries:	50.0 "
	<hr/> 132.6 million

The fiscal year 1964-65 saw a major growth in Canadian development assistance programs. The provision of assistance under the established grant aid program and the new Food Aid program reached record levels, notably in providing more capital assistance, more advisers serving abroad and more training places in Canada. The year also saw the inauguration of a number of important policy and programming improvements.

Food Aid

In 1964-65 Parliament approved for the first time the establishment of a separate food aid program under which the External Aid Office is able to purchase food products to meet not only part of the Canadian contributions to U.N. Food Programs but also the needs of countries which request this form of Canadian assistance. Last year some \$22 million worth of wheat and flour was purchased under this special appropriation for shipment to less developed countries. This amount includes a supplementary appropriation of \$7 million approved near the end of the fiscal year to meet the emergency food situation in India.

Development Loans

While making additional funds available for grant assistance in 1964, Canada further strengthened its aid arsenal with the introduction of a new development loan program. In the past fiscal year \$50 million was authorized by Parliament on a non-lapsing basis. Parliament is being asked to set aside a similar amount in 1965-66. The terms of these loans are comparable to those of the International Development Association (IDA); that is, up to 50 years maturity, non-interest bearing, ten year grace period and 3/4 of 1% service charge. This loan program, which is regarded as a logical extension of Canada's grant aid program, has of course led to an increase in the level of Canadian aid but more important it has permitted a continuation of the highly concessional terms on which Canadian assistance has been offered. Conscious of the debt-servicing problems of the developing countries, Canadian assistance to countries such as India and Pakistan, whose debt-servicing problems are commanding increasingly greater attention, has been provided on liberal terms.

Capital Aid

Canadian capital aid has taken a wide variety of forms and sizes (see Table "A"), ranging from the provision of some of India's and Pakistan's largest hydro-electric and irrigation dams to less spectacular but no less necessary projects such as equipment for the University of Rwanda library and the supply of diesel locomotives to British Guiana. In addition, capital aid sometimes takes the form of industrial metals, fertilizers and pesticides. During the year 32 Canadian engineering and consulting firms were under contract to the External Aid Office while orders were placed with several hundred suppliers. The description of the individual country programs in the following sections of the paper gives a detailed list of capital aid projects. In summary, it may be said that out of this broad list of undertakings there emerges a clear pattern of emphasis in the four major fields of power, transport, natural resources, and educational development. This pattern indicates that the developing countries believe that there are four areas in which Canada is pre-eminently qualified to render capital assistance. This may be assumed because Canada acts only in response to requests submitted by various countries for help on projects which have been included, wherever possible, in the national development plans drafted by the recipient government.

These fields represent some of the most important and direct contributions that can be made to economic and social development:

Power is a key element in development and therefore it is natural that the larger and older Asian countries, who have both raw materials and vast domestic markets, have tended to give priority to electrification. Hydro-electric, thermal and nuclear power developments have been built with Canadian assistance as have the transmission lines needed to carry the power to the areas where it is required. India and Pakistan have been the principal beneficiaries but smaller countries like Ceylon, Guinea, and Malaysia have also received assistance in this field.

Transport facilities are also a vital part of the economic infrastructure. Canada is currently undertaking either engineering studies or actual construction of bridges in Guinea, Burma, and Jamaica; airport development in Ceylon and Trinidad; and port development in Trinidad, Barbados, Grenada, St. Vincent, Dominica, Antigua, Montserrat, St. Kitts and Singapore.

Natural Resources—Canada has done a good deal to assist various countries to learn more about their agricultural, mineral, forestry and fisheries potential and to develop techniques for effective exploitation. For example, we are engaged in fisheries work in Malaysia, Ceylon, Pakistan, Nigeria and Uganda; forestry in Tobago, Kenya and Nigeria; water resources development in Montserrat, St. Kitts, Nevis & Anguilla; geological surveys in India and Uganda; and natural resources mapping surveys in Malaysia, Nigeria and Tanzania.

Education—Education has been the fastest growing of all the major fields. It illustrates in a unique way the complementary nature of capital and technical assistance. As an example of our capital assistance work, we have provided equipment for scores of schools in Asia, Africa and the Caribbean (53 technical and trade schools in Malaysia alone) and last year we began the actual construction of school buildings in a number of countries. Canada played a part in building three engineering institutes in India, a trades training centre in Ghana, a residence at the University of the West Indies in Trinidad, and four elementary schools in Grenada,

Dominica and Antigua. Under our educational assistance program Canada sponsored training programs and courses of study for over 1,800 overseas students from 63 different countries and sent abroad almost 400 teachers and professors. The new emphasis on education can be illustrated by the fact that 4 years ago only 43 teachers and 5 professors were serving abroad under the official aid programs. In addition to teachers, Canada also provides technical experts for overseas service in such diverse fields as public administration, medicine, soil science, fisheries, plant pathology, electrical engineering and metallurgy. These technical advisers when added to the number of professors and teachers serving abroad represent a total of 545 individual Canadians under contract to the External Aid Office. Since 1960 annual expenditures on fees or allowances, transportation and related costs for experts, teachers and trainees have risen from approximately \$1 million to some \$9 million. As will be seen from Tables "B" and "C", the numbers of trainees from developing areas studying in Canada has more than doubled during that time, while the number of Canadian professors, teachers and technical assistance advisers serving abroad has increased nearly seven-fold.

It is Canadian policy to undertake wherever possible composite projects—building and equipping schools and colleges, providing staff for the early years of operation, and training in Canada selected personnel who later return home to form the permanent staff of such institutions.

University Contracts

It has been found that one of the most efficient ways of assisting Universities in developing countries to establish new faculties or departments is by entering into contractual arrangements with Canadian Universities. Contracts have been entered into with the University of British Columbia with respect to schools of Business Administration at the Universities of Malaya and Singapore and the Department of Adult Education at Rajasthan in India; with the University of Toronto for the establishment of a Regional Engineering College in India and for the Department of Anaesthesia at the University of Lagos in Nigeria; and with the University of Manitoba in connection with the staffing of the Agriculture and Engineering Faculties at the new University of the North-East in Thailand. Similar contracts with other Canadian Universities are under consideration.

Emergency Relief

Last year an item of \$100,000 was included in the Estimates for emergency relief to permit a quicker response to appeals than was possible when no special appropriation for this purpose existed. During the year contributions were made for relief of distress in the wake of civilian disturbances in British Guiana and Cyprus, and of cyclone and tidal wave damage in Pakistan, Vietnam, Ceylon and India.

Participation of Other Canadian Agencies

An essential feature of the Canadian assistance program is the important contribution made to it by other agencies including federal and provincial government departments, by Canadian industry, by universities and by Canadian voluntary organizations. Their contributions, which are indispensable to the success of the official Canadian aid program, may take the form of comment and recommendations with respect to capital projects; assistance in recruiting teachers and university staff; or the arranging of training programs with provincial and federal government departments, with Canadian industry and with Canadian voluntary agencies.

A number of voluntary groups in Canada are doing a great deal of good work in developing countries particularly through supporting Canadians at work overseas and collecting various supplies and goods. This work constitutes a valuable part of the overall Canadian aid effort.

Self-Help

Because donors including Canada attach great importance to the principle of self-help, most projects are undertaken on the understanding that the recipient country will make a contribution in the form of local costs. Under the Canadian program the overseas government is normally expected to meet such costs as local transport, housing, labour, materials and land, and at the same time is required to make personnel available who can be trained to operate the project on its completion. As will be seen in Table D the proportion contributed by the recipient government varies from project to project depending on its nature and on local capabilities. In all cases, however, the recipient country is a full partner in a co-operative undertaking directly related to its own economic, educational or social development.

Multilateral Aid

In addition to providing bilateral assistance, Canada is also a substantial contributor to a number of multilateral aid programs such as the U.N. Special Fund, U.N. Expanded Program of Technical Assistance, U.N. Children's Fund and the International Development Association. The External Aid Office is not directly involved in these financial contributions but it does work closely with the International Agencies in implementing programs, particularly in the recruitment of Canadian experts for U.N. work and by helping to arrange training courses. In 1964-65, Canada contributed \$17.5 million to these multilateral aid activities. In addition, as stated previously, a portion of the Food Aid funds were used to support U.N. food programs.

Canada is also closely associated with international institutions designed to effect co-ordination of the various bilateral programs of donor countries. Regular meetings are held of consortia where donor countries join with the World Bank in considering the development needs of the country concerned and co-operate in seeking the most effective way to meet those needs. The Development Assistance Committee (DAC) of the OECD is the principal co-ordinating body of the Western aid effort. Canada is an active participant in this Committee which was formed in 1961 to improve the terms, volume and effectiveness of aid. One of its most useful techniques is an annual aid review which enables members to examine each other's aid efforts and to compare experiences.

Export Credits

Both World Bank Consortia and DAC categorize as aid those credits which have maturities in excess of 5 years and consequently Canada, like other donor countries, when recording their annual amounts of assistance, includes loans made under Section 21A of the Export Credits Insurance Act. These loans which are advanced by ECIC do contain an aid element in that their long maturity periods enable developing countries to procure capital goods which they would be unable to purchase on normal commercial terms. During the past fiscal year ECIC committed \$76 million in long-term loans to developing countries.

Total Canadian Aid Effort

A summary of the total Official Canadian aid effort for 1964-65 is as follows (the first three programs being the operational responsibility of the External Aid Office):

	Millions of Cdn. \$
Bilateral Grant Aid	60.6
Bilateral Development Loans	50.0
Food Aid (including \$7 million supplementary)	22.0
Bilateral Export Credits	76.0
Multilateral Grants	9.6
Subscriptions to IDA	7.9
Total	226.1

THE COLOMBO PLAN

The Colombo Plan for economic development in South and South-East Asia, of which Canada was a founding member in 1950, held the 16th meeting of the Consultative Committee in March 1964. At this meeting in London it was agreed that the Colombo Plan should be extended for a further period of five years from 1966 to 1971. The Consultative Group also noted that, as in earlier years, there were wide disparities over the past year in the rate of growth in national terms of GNP among developing countries in the Colombo Plan region. There were also great differences between the rates of increase in population and the committee recognized the implications of population growth for the possibilities of achieving an early substantial improvement in living standards. It was acknowledged that international co-operation, through the provision of capital and technical assistance, amounting to \$2,165 million during the year, continued to play an important role in the development process, and that the task ahead for all members of the Plan, in raising standards of living, remained great. The principal donor countries are Australia, Britain, Canada, Japan, New Zealand and the U.S.A., but it is encouraging to note that several regional members are now extending some technical assistance to their neighbours.

Since 1951, and including the fiscal year 1964-65, Canadian contributions under the Plan have amounted to \$528,678,000. The chief recipients of Canadian Aid under the Colombo Plan have been the Commonwealth countries of Ceylon, India, Malaysia and Pakistan, which have accounted for over 90% of Canadian expenditures. Other non-Commonwealth countries in the area, however, are also eligible for Canadian assistance, and capital and/or technical assistance has been given to, or is planned for, countries such as Afghanistan, Brunei, Burma, Cambodia, Indonesia, Korea, Laos, Maldive Islands, Nepal, Philippines, Thailand and Vietnam. Canadian assistance under the Colombo Plan, as with the other bilateral aid programs undertaken by Canada, takes the form of either grant aid or special development loans.

In addition to participation in the Colombo Plan, Canada also contributed during 1964-65 to the economic development of a portion of the region through a \$7 million grant to the Indus Basin Development Fund.

COMMONWEALTH COUNTRIES

Ceylon

To the end of the fiscal year 1964-65 Canada has allocated to Ceylon under the Colombo Plan total assistance to the value of about \$29 million for economic development purposes.

Over the last few years Canada has assisted Ceylon through the carrying out of an aerial survey and geological survey and through the construction of

capital projects such as transmission lines, a fish refrigeration plant and the expansion of power producing facilities. The transmission lines have not only assisted in the interconnection of the power systems of the East and West sectors of the Island, but have also made available much needed electricity to the industries, villages and schools located throughout the Gal-Oya Valley. During 1964-65 Canada continued to assist Ceylon with the expansion of the Mutwal Fish Refrigeration Plant which was built earlier as a Canadian Colombo Plan project.

Canada agreed to supply equipment and the services of consulting engineers to complete the rural electricity grid in the Gal-Oya Valley. This project, when completed, will add 24 miles of local transmission lines to the 200 miles previously financed by Canada.

Commodity assistance to Ceylon has consisted primarily of flour and railway ties. Under the 1964-65 program, \$1 million worth of flour was provided to Ceylon.

A Canadian electrical engineer, experienced in the management of small hydro-electric systems, continued as an adviser to the Gal-Oya Development Board on generation and transmission maintenance problems.

During 1964, 33 Ceylonese trainees studied in Canada. Four trainees were enrolled in an industrial teachers' training course in Winnipeg.

India

Total Canadian assistance to India under the Colombo Plan to the end of the fiscal year 1964-65 was \$273 million.

In the State of Madras, Canadian and Indian engineers continued to work on Stage III of the Kundah Hydro-Electric project which will provide an additional 240,000 kw. of electric generating capacity to meet the industrial demands of the area. Canada's contribution in engineering services, generating equipment and other materials for this third stage will total some \$21.8 million over a five year period scheduled to end in 1965.

In addition, work began on the Idikki Hydro-Electric Power project. This project included the damming of the Periyar and Cheruthoni Rivers in the State of Kerala and the construction of a hydro-electric generating plant capable of producing 500,000 kw. of power. The Canadian component of the project will consist of \$25 million to provide engineers and technicians (who will be responsible for design and construction), construction equipment, generating plant equipment and transmission line facilities.

During 1964-65 Canada agreed to:

- (a) assist India in a geological survey which would assist with the development and exploitation of India's natural resources. This would be phased over a three to five year period, at an estimated total Canadian cost of \$9,500,000 and would involve geological and geo-physical studies and the training of Indian workmen in modern methods of mineral exploration and mining techniques;
- (b) expand the Umtru Hydro-Electric power generating station, located in the State of Assam, resulting in an increase in plant generating capacity of 2,800 kw. The Canadian contribution will cover the services of consulting engineers and technical equipment at a total Canadian cost of \$650,000. In addition, Canada will provide electrical transformers and lightning arrestors, at an estimated cost of \$2.8 million;
- (c) provide newsprint, aluminum and other commodities to the value of \$10.9 million to assist India in making the maximum possible utilization of its existing industrial capacity. In view of the critical foreign exchange position, India has asked donor governments to give the highest priority to such commodity aid;

- (d) provide further commodity aid in the form of \$7 million worth of wheat under the regular Food Aid program. In addition, a supplementary grant of \$7 million was made at the close of the fiscal year to meet an emergency food situation in India;
- (e) provide four Cobalt Therapy Units and accessories for the treatment of cancer and for research;
- (f) provide replacement units and spare parts for the Canada/India Nuclear Reactor which was originally built under Canadian auspices at Trombay, 25 miles north-east of Bombay. The Canadian cost of the equipment is estimated at \$1 million. Work also continued during the year 1964-65 on the water loop for the Canada/India Reactor which has an estimated total Canadian cost of \$800,000;
- (g) provide a range of construction equipment for economic development projects at a cost of \$3.5 million;
- (h) provide diamond drilling, geophysical and mechanical equipment to meet the needs of the Oil and Gas Industry of India at a Canadian cost of \$1.2 million.

Under the technical assistance program, in 1964-65 ten teachers and two advisers were assigned to programs in India. Canadian professors of mechanical, electrical and civil engineering held positions at the Regional Engineering College, Mangalore.

The major fields of study of the 246 Indian trainees in Canada were medicine, surgery, nuclear power and steel making. The 20 Indians being trained at a Canadian steel mill were to be the last under this particular program which has extended over several years and has 88 graduates to date.

A summary of the Canadian program for 1964-65 is as follows:

	(million \$)	
Grants	Geological Survey	.100
	Trombay Reactor Spare Parts	1.000
	Cobalt Therapy Units	.300
	Equipment for Oil & Gas Industry	1.200
	Construction Equipment	3.500
	Technical Assistance	.750
	Commodities	10.900
		<hr/>
		17.750
	Less Carry Over from 1963-64	.750
		<hr/>
		17.000
Food Aid		14.000
Development Loans		10.000
		<hr/>
Total		41.000

Pakistan

Total Canadian assistance to Pakistan under the Colombo Plan to the end of the fiscal year 1964-65 was \$178 million. Work was continued on the following existing projects:

- (a) Bheramara-Goalpara Transmission Line—which is 110 miles long and will connect the Canadian financed steam generating plants at Bheramara and Goalpara. The Canadian contribution will consist of transmission line materials, sub-station equipment, construction equipment and the services of consulting engineers to design and oversee the construction of the project. In addition, Canada has

agreed to assist building a 15 mile extension from this line to Ishurdi. The total Canadian cost for these lines is estimated at \$5.5 million.

- (b) Comilla-Sylhet Transmission Line—which will be approximately 140 miles in length, and will connect the steam power plants at Fenchuganj and Sylhet with the main grid system of East Pakistan at Siddhirjanj. Canada will provide services and equipment similar to the Bheramara-Goalpara Transmission Line, described above, at an estimated Canadian cost of \$5.8 million.
- (a) Sukkur Thermal Electric Power Plant—located in West Pakistan—Stage I was commissioned in March 1965 and consists of 50,000 kw. thermal power generating plant and approximately 600 miles of transmission and distribution line. Canada's contribution consists of plant equipment, transmission line facilities, and the services of engineers to design and oversee construction, at a total cost of \$22 million;
- (d) Chittagong Land Use Survey—a survey of the capabilities of some 33,000 square miles of Chittagong Hill Tracts in East Pakistan, with a view to an integrated development program. Canada's cost is estimated at \$700,000.
- (e) Kulna Hardboard Plant in East Pakistan will have a productive capacity of 30 million square feet of $\frac{3}{8}$ " board annually. A Canadian firm will be responsible for design, overseeing construction and will also train Pakistani technicians in its operation. In addition, Canada will also supply some materials and equipment for construction for the mill. The estimated Canadian cost is \$1.9 million.
- (f) Lahore Refugee Housing in West Pakistan will provide accommodation for approximately 28,000 refugees on a site which will also be developed for industry. The Canadian contribution of \$2 million will be in the form of construction equipment and building materials.
- (g) Sangu Multipurpose Project was completed this year. Canada provided \$355,000 to cover the cost of consulting engineers and survey equipment for a preliminary engineering study of the hydro-electric and irrigation potential of the Sangu River.
- (h) Pakistan Fishing Industry. Canada has offered to provide up to \$4 million for the purchase of nylon fishing twine and other forms of fishing equipment for the fishing industries of East and West Pakistan.

At the behest of both Pakistan and the World Bank, Canada has complemented its project assistance with commodity aid which is vitally needed to help Pakistan's economy overcome problems resulting from foreign exchange shortages. This aid took the form of \$6 million in industrial commodities such as copper and aluminium and \$3.65 million in food aid.

Training for 161 Pakistani students was arranged during the year 1964. Study programs were established for, amongst others, a harbour master, a veterinarian, a metallurgist, and a road design researcher.

During this period under review, 7 Canadian advisers and 3 Canadian teachers served in Pakistan. Among this group were 2 specialists in wheat breeding and three university professors.

A summary of the Pakistan program for 1964-65 is as follows:

	(million \$)
Bheramara-Goalpara Transmission Line	.200
Ishurdi Extension Transmission Line	.200
Comilla-Sylhet Transmission Line	.600
Grants { Sukkur Steam Plant	2.400
Chittagong Land Use Survey	.225
Equipment for Fishing Industry	1.200
Commodities	6.000
Technical Assistance	.600
	<hr/>
	11.425
Less Carry Over from 1963-64	.425
	<hr/>
	11.000
Food Aid	3.650
Development Loans	7.000
	<hr/>
	21.650

Malaysia (Malaya, Singapore, Sarawak and Sabah)

Aid funds totalling \$14,056,000 have been made available to Malaysia since the Colombo Plan began. More than \$9 million of this amount has been in capital assistance and the remainder in technical assistance. In addition, one million dollars of soft loan funds were allocated to Malaysia under the new development loan program. No commodity assistance has been provided.

Canada's participation in the development of the Malaysian national television system came to an end this year. The system which is designed largely for adult education has been in operation for over one year now, and the Canadian consulting engineers and technical advisers associated with it have returned home.

The program under the direction of the University of British Columbia to establish schools of business administration at the Universities of Malaya and Singapore continued satisfactorily. Seven Canadian professors served at these universities in the past year.

Canadian consulting engineers continued work on the study of the feasibility of developing the hydro-electric resources of the Perak River. It is estimated that the report will be completed in December of this year.

During 1964-65 Canada undertook several new projects. The Natural Resources Survey will form the basis of a program to develop Malaysia's forestry, agricultural and mining industries. Among other things this project involves the aerial photographing of 50,000 square miles and the provision of 11 advisers to assist the Malaysians in the analysis and utilization of the survey data of the Malayan mainland. Equipment worth approximately \$3,000,000 is being supplied to 53 comprehensive and secondary trade schools for the teaching of such subjects as carpentry, auto mechanics and electronics. These projects continue Canada's long term program of assistance to educational institutions under which other schools have been provided with equipment at a cost of \$458,500 prior to the period under review. Fifty two-way radios have been provided for use at isolated jungle posts by the Aborigine medical service. A bandsaw mill and ancillary equipment is being provided to a government school in Sarawak to train sawmill operators in modern methods of log conversion. Canadian consulting engineers are undertaking two feasibility studies; a survey of several proposed water and sewerage projects, and an appraisal of the proposed harbour development on the Island of Blakang Mati, Singapore.

A summary of the Canadian 1964-65 capital assistance allocations is as follows:

Natural Resources Survey	\$1,000,000
Vocational School Equipment	1,500,000
Feasibility Study of Harbour Development, Singapore ..	200,000
Feasibility Study of water & sewerage projects	200,000
Equipment for sawmill training school	250,000
Two-way radio for medical services	300,000
	<hr/>
	\$3,450,000

During 1964, 21 teachers and 56 advisers served in Malaysia giving a combined total of 77. In many instances the positions filled by Canadian teachers and advisers have a close relationship to Canadian capital projects. For instance, a fisheries co-operative expert continued as an adviser on the operation of a fisheries development which Canada helped establish on the East Coast of Malaya. Canada participated in the founding of the Technical Teachers Training College, Kuala Lumpur, and in 1964 five Canadian advisers held positions in this College which will provide some of the teachers staffing the 53 technical schools receiving Canadian equipment.

Two hundred and thirty-eight Malaysians were trained in Canada in the period under review, more than for any other Colombo Plan country. One group of 18 studied methods of instruction in Canadian technical institutes. Five Malaysians studied Canadian television production techniques as part of a continuing program in this field associated with the capital project mentioned above.

NON-COMMONWEALTH COUNTRIES

Burma

To the end of the fiscal year 1964-65 Canada has allocated to Burma under the Colombo Plan total assistance to the value of \$5.7 million for economic development purposes and technical assistance.

The major capital project undertaken by Canada under the Colombo Plan in Burma is the Thaketa Bridge, spanning the Pazunduang River to connect with Rangoon with its suburb of Thaketa. The Canadian contribution includes Canadian supplies of steel, construction materials, bridge machinery and some construction equipment, together with the services of Canadian engineers to design and supervise erection of the bridge. Burma has allocated counterpart funds to the project which were derived from earlier sales of Canadian wheat provided under the Plan. Burmese engineers were brought to Canada to work with Canadian engineers during the design stage of this project as part of a training program.

Radium needles to be used in the treatment of cancer were supplied to the Mandalay General Hospital.

One Canadian adviser, a Radiotherapy Technician, is serving at the Mandalay General Hospital helping to treat cancer patients with a Canadian Cobalt Therapy Unit previously given to Burma, and, at the same time, training Burmese technicians in the operation of the Unit. Twenty-six Burmese students were attending Canadian educational institutions in 1964.

Indonesia

Since 1953, up to the end of the fiscal year 1964-65, funds totalling \$4 million have been made available by Canada to Indonesia for development purposes, a high percentage of these funds being devoted to the supply of wheat flour. In 1964, 63 Indonesian students were enrolled at Canadian Universities and Technical Schools.

South Vietnam

The total allocation of Canadian aid to Vietnam under the Colombo Plan to the end of the fiscal year 1964-65 totalled \$2 million, predominantly in the form of technical assistance and wheat flour. In 1964, 141 Vietnamese students were enrolled in French language universities in Canada and one technical expert served in Vietnam. Seven advisers are presently under recruitment for postings to that country from Canada.

Thailand

A Cobalt Therapy Unit was supplied by Canada for use in the treatment of cancer at the Chulalongkorn Hospital in Bangkok. Forty-five Thai students were enrolled in Canada and 3 technical experts were sent to Thailand during 1964. One of these experts made recommendations that will result in 9 professors from the University of Manitoba being sent out to set up faculties of Agriculture and Engineering at the University of the North-East. Total Canadian commitments in Thailand since 1956-57, when Thailand joined the Colombo Plan, amount to \$763,000.

OTHER NON-COMMONWEALTH COUNTRIES

(Brunei, S. Korea, Laos, Nepal, Philippines and Cambodia)

The Canadian contribution to these countries in the past has been almost exclusively in the form of technical assistance. Total funds allocated as at the end of the fiscal year 1964-65 amounted to \$1,838,000. Nine Canadian advisers served in the area and Canadian institutions enrolled 66 students in 1964.

1965-66 Program

Through a combination of self-help and external assistance, the countries of the Region have made a number of striking advances; e.g., in raising the GNP, diversifying their economies, improving education, reducing the incidence of malnutrition and several types of disease. The task is obviously formidable, however, in an area which comprises only $\frac{1}{16}$ of the world's land mass and yet contains over $\frac{1}{4}$ of its population. The basic challenge is to ensure that the developing economies keep pace with the fast growing human resources of the area. In recognition of the continuing needs, Canadian economic assistance to the Colombo Plan members of South and South-East Asia will increase in 1965-66, particularly with regard to technical assistance. Some of the new Colombo Plan members such as Afghanistan and the Maldive Islands will be sending trainees to Canada for the first time; others will be increasing the flow of students and it is expected that the number of Canadians sent out as advisers and teachers will also be greater than in previous years. Capital assistance will be used in the Region wherever financially possible and in accordance with general aid principles. Educational projects are in great demand in the smaller countries for the improvement of standards; surveys for transportation and food distribution are another priority as is agricultural development generally in the area.

COMMONWEALTH CARIBBEAN AREA

Because of Canada's substantial interest in the Commonwealth territories of the West Indies, this geographic area became the first, after the Colombo Plan, into which a Canadian aid program was extended. In 1958, the Canadian Government announced that it wished to assist the West Indies Federation in its economic development efforts and that accordingly it was prepared to grant, subject to Parliamentary approval, a total of \$10 million over a five year period commencing in the fiscal year 1958-59. This program continued

even after the dissolution of the Federation, but obviously some changes had to be made in it. With the separate independence of Jamaica and Trinidad, Canadian diplomatic missions were established on these Islands and assistance was carried on through bilateral negotiations. At the same time, Canada accepted a series of requests from the dependent territories, the so-called "Little Eight" Island.

The original undertaking of a \$10 million, five-year program expired on March 31, 1963. In advance of this date, the Government agreed that Canadian aid to the West Indies area should continue as in preceding years. At the same time, the Government also agreed that British Honduras and British Guiana, which together had formerly been receiving about \$100,000 worth of annual assistance under a separate program for other Commonwealth countries, should be brought into the general Caribbean scheme. Accordingly Parliament was asked to provide \$2.1 million for Canadian aid to the Commonwealth countries and territories of the Caribbean area in 1963-64.

Following the announcement in November of 1963 by the Secretary of State for External Affairs that the Government intended to increase substantially the level of development assistance to the Commonwealth territories of the Caribbean, a total of \$9 million in grants and special development loans was made available for use in this area in 1964-65. Approximately \$5.5 million of this consisted of funds under the new development loan program. The first loan agreement under this program was concluded with Trinidad and Tobago, and further agreements with both Trinidad and Jamaica are now in the final stages of negotiations.

During 1964-65, almost 10% of funds available to the Caribbean area was used for technical assistance involving the provision of 58 teachers and technical advisers and the training of 189 students from the area in Canada. In addition, the following projects, initiated in previous years, were continued:

- (a) the supply of port handling equipment to Barbados, Grenada, St. Vincent, Dominica, Antigua, Montserrat, and St. Kitts, the cost of which will total \$450,000;
- (b) the construction of primary schools and warehouses in Grenada, Dominica, Antigua, St. Kitts and St. Lucia. The Canadian cost will be nearly \$1.5 million, and the four schools will be ready for use in the 1965-66 academic year;
- (c) the construction phase of storage and distribution facilities for emergency water supplies resulting from the earlier water survey carried out by Canada in St. Kitts. It is expected that a further construction program will be undertaken in 1965-66. Cost of this program to date has been \$405,000;
- (d) the installation of an aircraft guiding system at Piarco Airport in Trinidad. This project will be completed early in 1965, and the total cost to Canada will be approximately \$150,000;
- (e) the provision of a fishing vessel to help in the development of the Jamaican fishing industry. Total costs are now expected to be \$125,000.

Several new projects were undertaken during 1964-65:

- (a) well-drilling equipment and technical aid to the Amerindians, fire engines, diesel locomotives, highway maintenance equipment, university staff and technical assistance for British Honduras as part of a program worth more than \$1 million;
- (b) technical assistance to the value of \$68,000 was given to British Honduras;

- (c) grant aid of \$500,000 for Trinidad and Tobago for technical assistance, fire fighting equipment, development surveys for roads, water, and harbours. At the same time we have agreed to provide lumber, port equipment, prefabricated factory shells and rural electrification equipment to the value of \$3 million under the special development loan program;
- (d) grant aid to Jamaica to the extent of \$500,000 for technical assistance, school equipment, and water pipe for a rural distribution system. Development loans in excess of \$2.3 million have been extended for the construction of the Olivier Bridge, for the installation of a sewerage project in Harbour View Heights, a suburb of Kingston, and for the construction of rural schools and teacher-ages.

COMMONWEALTH AFRICA

Canada first undertook a separate program of assistance for Commonwealth countries in Africa in the fiscal year 1961-62. In that year and in each of the two subsequent fiscal years, \$3.5 million was appropriated by Parliament for the Special Commonwealth Africa Aid Program. Fourteen countries in Africa, of which nine are independent, have participated in this program; it has been Canadian practice to concentrate assistance in the independent Commonwealth countries of Africa. Limited amounts of technical assistance have been extended to the smaller dependent territories. Canadian assistance has been directed primarily to Nigeria, Ghana and Tanzania with Kenya, Uganda and Sierra Leone also receiving significant levels of assistance.

As part of Canada's expanded aid programs, grant allocations to Commonwealth Africa were doubled last year. Increased expenditures related principally to the provision of teachers and advisers and training facilities in Canada. In addition, discussions were begun with a number of African countries on projects which would be suitable for special development loan financing.

A high priority has been assigned by Commonwealth African countries to educational and technical assistance and Canada's aid program has traditionally been concentrated in those sectors. Each year large numbers of qualified Canadians have been available to undertake assignments in Africa as teachers and technical assistance advisers. The number of Canadians serving in Africa financed by Canadian aid funds rose from 189 in 1963-64 to 278 in 1964-65. In the past fiscal year there were nearly 400 African students receiving training in Canada as compared to 278 the previous year.

The following paragraphs describe the programs in each of the Commonwealth countries and territories of Africa in somewhat greater detail.

Independent Countries

Gambia

Four trainees from Gambia were undergoing training in Canada during 1964-65 under Canadian Government auspices.

Ghana

Considerable progress has been made on the construction of a Technical Training Centre in Accra which Canada is assisting by providing architectural services, pre-fabricated Canadian building materials, workshop equipment, instructional staff and training for Ghanaian staff members.

Construction began in April 1964 and is expected to be completed by December 1965. The Province of Saskatchewan has agreed to provide 15 members of the staff of the Technical Training Centre commencing in the

fall of 1965; the same authorities have undertaken to train nearly 20 Ghanaians who will over the next two years join the staff of the Accra Centre.

Two smaller projects were underway during the year; one, the chemical analysis of cocoa leaves and beans (which was carried on at a Canadian laboratory), was completed and the other, involving the supply of educational and agricultural equipment to a community agricultural project in Northern Ghana, continued.

48 Canadian teachers and university professors and 38 technical advisers were on assignment in Ghana during the year. The advisers included entomologists, veterinarians, medical technicians, geologists and advisers in road transport, irrigation and land reclamation.

97 Ghanaian students were on courses in Canada during 1964-65; of this number, 38 arrived during the year.

Kenya

The forest inventory and its associated training program, which was started in January 1953, continued during the fiscal year under review. Two Canadian firms have been carrying out this work under contract to the External Aid Office. The initial phase of the contract was completed in May 1964 and extensions have been agreed to. A total of \$750,000 has been allocated to this project of which a major feature has been a training program for Kenyan foresters. In all, more than 40 Kenyans have received training and experience in conducting a forest inventory program.

24 Canadians were on technical assistance assignments in Kenya during the past year of whom 10 were teachers. There were 23 students in Canada on medical, agricultural, veterinary science, engineering and co-operative courses.

Malawi

During the year Canada agreed to undertake a feasibility study for the establishment of a pulp industry in Malawi. This industry when established would exploit plantation forests in the Vipya Highlands.

Two Canadian nursing advisers commenced assignment during the year and six students from Malawi were on training courses in such fields as agriculture and education in Canada.

Nigeria

With the largest population of any African State (some 55 million) Nigeria has traditionally been the country to which the most substantial amounts of Canadian assistance have been directed. The major project has been the aerial mapping and airborne geophysical project in southern and western Nigeria; mapping has been carried out in each of Nigeria's four regions. Four Canadian companies, of whom three are now at work in Nigeria, have been engaged on this project in which the Nigerian Government is participating by providing needed local support including transportation, accommodation and services for Canadian personnel engaged on it.

Work was completed on a study carried out by a Canadian company on the development and utilization of natural gas resources in Southern Nigeria. In addition, four new projects were initiated. These were a rural water development feasibility study in Western Nigeria; a forest inventory in the Eastern region; a feasibility study into the establishment in the Lagos area of industries associated with fisheries; and the supply of data processing equipment to the Federal Ministry of Education. In addition a study was completed preliminary to the construction of a technical high school at Benin City.

Canada's program of technical assistance in Nigeria also expanded during the year. A total of 66 advisers, university professors, teachers and technical assistance advisers were on assignment in the country during the year; of

this number three were doctors on the staff of the Department of Anaesthesia at the University of Lagos Medical School and 57 others were on various teaching assignments.

During the year, 43 Nigerians were on training awards at Canadian Universities and with Federal and Provincial Departments and Industry. Of this number, 33 arrived during the year.

Sierra Leone

Work continued on the establishment of a secondary school for boys at Koyeima in Central Sierra Leone for which Canada has agreed to supply architectural services, pre-fabricated building materials, and some staff members.

Five Canadian teachers took up assignment in Sierra Leone during the year to bring the total there in 1964-65 to seven. 24 Sierra Leone students were on courses in Canada, principally at the University level where their courses included economics and engineering.

Tanzania

A number of new capital projects were begun in Tanzania in 1964-65. These included an aerial mapping survey covering some 31,500 square miles of the south-eastern part of the country for which \$1 million has been allocated; the supply of instructional equipment to Dar-es-Salaam Technical College; the supply of vehicles for the National Parks Service for a road building program as well as vehicles and equipment for the medical services.

In addition to capital projects, there were 37 advisers, teachers and university staff serving in Tanzania under the Canadian aid program. The advisers were in such fields as development planning, film production, and wild life biology. 27 Tanzanian students were in Canada on such courses as public administration, surveying, accounting and forestry.

Uganda

During the year Canada provided the Uganda Geological Survey with additional precision instruments in connection with a national geological survey being carried out there and also agreed to make a further contribution of vehicles for the survey. For the same survey, Canada has made available 5 geological advisers.

Other capital projects undertaken or continued during the year were the supply of handicrafts equipment for 100 junior secondary schools; a gill-netter fishing boat and nets for the Ministry of Fisheries and cinema vans for an adult education program.

During the year, in addition to the 5 geologists, 15 Canadian teachers and technical assistance advisers were on assignment in Uganda and 20 Ugandans were on training awards in Canada.

Zambia

Four students from Zambia received training in Canada during 1964-65 and a Canadian adviser carried out a study of an agricultural mechanization project.

Dependent Territories

Basutoland

A Canadian lecturer in co-operation and adult education continued his assignment at the University of Basutoland, the Bechuanaland Protectorate and Swaziland during 1964-65 and an adviser on Workmen's Compensation administration was made available to the Government of Basutoland. 20 students from Basutoland were studying in Canada during the year.

Bechuanaland

A co-operatives and a nursing tutor were at work in Bechuanaland during the year and two trainees from that country were on courses in Canada.

Mauritius

One Canadian fisheries technologist and three teachers were on assignment in Mauritius during the year and 16 students from the island were training in Canada.

Rhodesia

Three Canadian teachers served in Rhodesia during the year and 19 Rhodesians, 10 of whom were on teacher training courses, studied in Canada.

Swaziland

Three trainees from Swaziland were on courses in Canada during 1964-65 and an adviser on Workmen's Compensation Administration (who also served in Basutoland) carried out a brief assignment there.

1965-66 Program

Most of the capital assistance projects begun in 1964-65 will continue in 1965-66. In addition, a number of new projects for which Canadian assistance had been requested during 1964-65 are expected to be undertaken in the current fiscal year. These include a road survey project in Nigeria, and additional mapping work in Tanzania. Besides these projects, Canada has agreed to conduct a study of capital assistance requirements in the educational field in Kenya, Tanzania and Uganda.

Expenditures for technical assistance purposes are expected to continue to increase significantly during 1965-66 as the services of additional Canadian teachers and advisers are made available to Commonwealth countries in Africa and an increased number of students from those countries come to Canada for courses at Canadian universities, vocational institutes and for attachment to Federal and Provincial Government departments and with Canadian industry.

ASSISTANCE TO FRENCH-SPEAKING AFRICA

In the three years preceding the fiscal year 1964-65, the Canadian program for assistance for Francophone Africa (that is the twenty-one countries which were formerly French or Belgian dependent territories) was devoted exclusively to assistance in the educational field. In each of those three fiscal years, \$300,000 was appropriated by Parliament, the funds being used to meet the costs of supplying teachers for service in the area, training places in Canada for students and for educational equipment.

The Government decided in November 1963, to undertake a larger and more effective program in Africa. Last year \$4 million (or more than 13 times the level available in the previous fiscal year) was allocated to the French-speaking states. Of this amount, \$500,000 was specifically earmarked as a contribution to the U.N. Civilian Fund for the Republic of the Congo (Leopoldville). At the same time, the original concept of the program was broadened. Thus in 1964-65, although educational assistance still absorbed the great majority of Canadian aid funds for the area, it became possible to consider and to implement other types of development assistance projects. The services of technical assistance advisers were made available and a number of important capital projects were initiated.

Whereas in 1963-64 some 30 secondary school teachers and university staff were on assignments in Francophone Africa, the number rose to 89 in the fiscal year under review. Five technical assistance advisers also saw

service in the area. There were in Canada 40 students from 9 countries. Capital projects were undertaken in 8 countries, of which the largest were in Cameroun, Guinea and Rwanda.

The programs for individual countries are described in more detail in the following paragraphs:

Cameroun

Feasibility studies were undertaken for 2 bridge construction projects, one in the East and the other in West Cameroun, and consideration was given to supplying equipment and materials for agricultural stations in Western Cameroun and radar navigational aids for the important air traffic centre at Douala.

In addition during the year, 17 secondary school teachers were on assignment in Cameroun and 9 students from Cameroun underwent training in Canada.

Central African Republic

One Canadian teacher of home economics was on assignment in the Central African Republic during the fiscal year.

Chad

Preliminary studies were carried out for the establishment of an agricultural training college for which Canadian building materials, equipment and staff may be required.

Under the technical assistance program, 7 Canadian teachers of languages were on assignment in Chad during the year.

Congo (Brazzaville)

Two Canadian teachers were on assignment in Congo (Brazzaville) during the year and 2 students from the country received training awards to enable them to attend Canadian universities.

Congo (Leopoldville)

A contribution of \$500,000 was made to the U.N. Civilian Fund for the Congo to meet the costs of maintaining over 30 Canadian teachers and technical advisers engaged on U.N. assignments in the Congo.

There were as well 17 students from that country receiving training in Canada under Canadian aid auspices during the year; of this number, 15 were on a specially arranged public administration course.

Dahomey

Three Canadian teachers of mathematics and science were on assignment in Dahomey during 1964-65.

Guinea

A number of capital projects were undertaken during the year. These included preliminary feasibility studies for the construction of 4 bridges, 2 small hydro-electric stations and a rural electrification scheme. These studies were carried out by 2 Canadian consulting engineering firms. Canada also agreed to supply Guinea with road building equipment, principally graders, worth \$170,000.

Under technical assistance arrangements two Canadian teachers were on assignment in the country during the fiscal year and 2 agricultural education advisers were provided for short-term assignments.

Ivory Coast

3 Canadian teachers of mathematics, French, and geography were supplied to the Ivory Coast during the year and one student from that country received a Canadian training award.

Canada also agreed to supply the Ivory Coast with a quantity of audio-visual equipment.

Malagasy

Canada agreed to supply Malagasy with paper needed for a text book production centre which has been established as part of a nation-wide literacy development program.

3 students from Malagasy received training in Canada during the year.

Mali

7 Canadian teachers of mathematics, science and languages were on assignment in Mali during the year. In addition two students from that country began agricultural courses in Canada.

Morocco

7 Canadian teachers were on assignment in Morocco during the year and 3 Moroccans received training awards for study in Canada.

Rwanda

One of the major projects being carried out by Canada in Francophone Africa is the assistance being provided to Rwanda in the establishment of a National University at Butare. During 1964-65 the services of 24 members of the staff of the university were made available under the Canadian assistance program. In addition, Canada agreed to supply equipment for the library and is considering a number of other proposals for the expansion of the university's facilities.

Senegal

Canada undertook to supply Senegal with equipment and vehicles for the audio-visual demonstration centre which is being established near Dakar and also made available the services of 1 teacher plus training places in Canada for 2 Senegalese students.

Togo

7 Canadian teachers were on assignments in Togo during the year and Canada also supplied audio-visual equipment.

Tunisia

2 teachers of physical education were on assignment in Tunisia during the year and 1 student from that country received a training award for study in Canada. In addition, a preliminary investigation was carried out by officials of the Quebec Department of Agriculture and Laval University for an agricultural training institute for which Canadian equipment and staff may be provided.

Upper Volta

Canada agreed to supply Upper Volta with a quantity of audio-visual equipment.

Regional Assistance

Besides the advisers and teachers, whose assignments to specific countries are outlined above, Canada also undertook surveys of requirements in medical

and broadcasting fields. A medical adviser visited Algeria, Morocco and Tunisia to determine the need for Canadian assistance in this field and 2 advisers from the Canadian Broadcasting Corporation carried out similar assignments in the Cameroun, Guinea, Senegal, Morocco, Algeria and Tunisia.

1965-66 Program

More than 100 additional Canadian teachers will take up assignment in Francophone Africa in September 1965, and the services of additional advisers are being sought to meet new requests from the governments of the developing countries. Capital projects are under consideration in Central African Republic, Morocco and Gabon, in addition to those for which preliminary studies have already been carried out. These include carrying out an aerial mapping program in Morocco and equipping a technical college in Bangui, Central African Republic.

LATIN AMERICAN PROGRAM

Canada's first bilateral assistance to Latin America began when \$10 million was earmarked for exclusive use in that area from the new development loan fund approved by Parliament toward the end of 1964.

Our program is being carried out in close conjunction with the Inter-American Development Bank, which has been given the responsibility for the selection and initial examination of projects for financing with these funds, though Canada is consulted at all stages. The Bank has submitted a number of projects for preliminary study in Ottawa, and is processing those projects which appear feasible. The Cabinet has recently given approval to the first of these projects, a \$3,240,000 loan to the Port Commission of Acajutla, El Salvador, to permit a program of expansion for that port. Other projects will be proposed for Canadian approval in the near future.

TECHNICAL ASSISTANCE PROGRAM FOR OTHER COMMONWEALTH COUNTRIES

This appropriation was initiated in 1958 for the purpose of giving Canadian technical assistance to those Commonwealth countries not included in Canada's other bilateral aid programs such as the Colombo Plan. As separate programs were initiated for Africa and the Caribbean, this program has dwindled in size. In 1964-65 only Hong Kong received assistance under it with seven students being trained in Canada.

COMMONWEALTH SCHOLARSHIP AND FELLOWSHIP PLAN

The Plan is designed to provide opportunities for Commonwealth students to pursue advanced courses of study in other Commonwealth countries. The scholarships are intended for men and women of high intellectual promise who may be expected to make a significant contribution to their own countries on their return from abroad. Although this is a program of scholarly exchange it nevertheless is of particular benefit to the developing members of the Commonwealth who gain additional access to the educational facilities of the older members of the Commonwealth.

The Plan was conceived at the Montreal Trade and Economic Conference held in 1958. The general outlines of the scheme were established at a conference held at Oxford in 1959 and the academic year 1960-61 marked the first year of operations. At Oxford it was agreed that a thousand scholarships would be made available under the Plan of which number Britain was to provide half and Canada one quarter.

The number of Commonwealth scholars studying in Canada since the inception of the scheme has been as follows:

1960-61—101
1961-62—184
1962-63—221
1963-64—230
1964-65—234

Approximately 80% of these scholars have come from developing countries: 38% from Asia, 19% from Africa, 13% from the Caribbean area and 10% from elsewhere.

The number of Canadians who have taken up awards in other Commonwealth countries has been as follows:

1960-61—17
1961-62—35
1962-63—33
1963-64—41
1964-65—42

The overall responsibility for the Plan in Canada rests with the External Aid Office which also undertakes the administration of its financial aspects. The Canadian Commonwealth Scholarship and Fellowship Committee, which is composed of members from representative universities across Canada, advises on and assists with the academic aspects of the program and arranges for the selection and placing of scholars in Canadian universities. The Canadian Universities Foundation provides secretariat services for the Committee.

The External Aid Office makes the necessary administrative and financial arrangements both for bringing scholars to Canada and maintaining them during the tenure of their awards. The External Aid Office assumes financial responsibility for the scholar's transportation to and from Canada as well as for a certain amount of local travel when this is required by the student's course of studies. In addition, the External Aid Office pays the scholar's tuition fees and all other compulsory university fees. The scholars receive a monthly stipend to cover their cost of living as well as special allowances for the acquisition of clothing, books and equipment. They are entitled to free medical and dental care during their stay in Canada.

The delegates to the Third Commonwealth Conference reviewed the operation of this Plan noting that the total target of 1,000 awards was within sight of achievement and that the awards made under the Plan have won an enviable reputation in the academic world. The Conference concluded that the next few years should be regarded as a period for consolidation after which the number of awards considered necessary should be reviewed. In the immediate future, however, it was felt that more rapid progress would be made by concentrating on the institution and development of other forms of assistance. To this end, the Canadian Commonwealth Fellowship Plan has been established for the 1965-66 academic session. The Plan involves the award of up to three Research Fellowships, each for one academic year, tenable at Canadian Universities and up to five Visiting Fellowships for shorter periods both for university professors and for those working in the field of Public Education. In both types of Fellowships, the Commonwealth Scholarship and Fellowship Committee will, in co-operation with representatives of the National Conference of Canadian Universities and Colleges and the Canadian Education Association, be responsible for the selection of candidates for these fellowships.

TABLE A

Allocation of Bilateral Grant and Loan
Aid Funds to Projects
FY 1964-65

Type of Assistance	% Total Aid	
<i>Construction</i>		
Power Plants and Transmission Lines	14.2	} 21.8
Industrial and Research Plants	3.6	
Roads—Bridges—Harbours	2.7	
Sewerage	1.3	
<i>Equipment</i>		
Aircraft and Ships3	} 14.1
Agriculture and Forestry5	
Fisheries and Ports	2.6	
Telecommunications5	
Construction	5.5	
Non-Project, non-commodity and other	4.7	
<i>Surveys</i>		
Ground and Aerial	7.6	7.6
<i>Institutions</i>		
School and Workshops	6.9	} 7.4
Hospitals and Laboratories5	
<i>Commodities</i>		
Wheat and Flour	17.2	} 38.3
Metals and Asbestos	10.8	
Fertilizers and Pesticides	6.2	
Pulp, Paper and Railway Ties	1.4	
Miscellaneous (Sulphur, Rapeseed, etc.)	2.7	
<i>Technical Assistance</i>	10.8	10.8
TOTAL	100.0	100.0

TABLE B

Students and Trainees in Canada Under
Canadian Aid Programs
1956-64*

Year	South & South East Asia	Caribbean	Africa	Commonwealth Scholarship Plan	Total
1956	370	—	—	—	370
1957	391	—	—	—	391
1958	400	5	3	—	408
1959	479	27	22	—	528
1960	541	30	40	100	711
1961	553	4	80	204	841
1962	621	14	134	274	1043
1963	824	77	218	304	1423
1964	953	189	358	320	1820

*Calendar Years.

TABLE C

Advisers and Teachers Serving Abroad Under
Canadian Aid Programs
1956-64*

Year	South & South East Asia	Caribbean	Africa	Total
1956	52	—	—	52
1957	59	—	—	59
1958	57	5	2	64
1959	54	13	7	74
1960	58	16	9	83
1961	62	11	53	126
1962	85	18	130	235
1963	110	33	199	343
1964	116	74	352	542

*Calendar Years.

TABLE D

Some Typical Projects Underway Showing the Division between
the Estimated Canadian and Local Government
Contributions (in million Canadian \$)

Project		Canadian Share	Local Government Share
South and South East Asia			
<i>Ceylon</i>	—Katunayaka Airport	4.400	1.200
<i>India</i>	—Geological Survey	9.500	48.000
	—Kundah Hydro-Electric Project Stage III	21.800	29.300
	—Idikki Hydro-Electric Project	25.000	108.000
<i>Pakistan</i>	—Comilla-Sylhet Transmission Line	5.800	6.640
	—Sukkar Thermal Power Plant	12.840	9.128
<i>Malaysia</i>	—Perak River Hydro-Electric Survey	.900	1.085
	—Geological Survey	1.500	.500
Africa			
<i>Nigeria</i>	—Mapping and Airborne Geophysics Survey:		
	Phase I	1.850	.125
	Phase II	1.350	.125
<i>Ghana</i>	—Trades Training Centre	.900	.540
<i>Kenya</i>	—Forest Inventory Survey	.750	.100
Caribbean			
<i>Little Eight</i>	—Schools and Warehouses (Dominica, Antigua St. Kitts & St. Lucia)	1.475	.100
	—Water Storage and Distribution St. Kitts, Nevis, Anguilla)	.405	*
<i>Trinidad</i>	—VOR System for Piarco International Airport	.150	*
<i>British Guiana</i>	—Highway Maintenance Equip.	.500	*

*Figures for Local Costs for these projects are not available at the present time. The recipient countries are providing land, buildings, and other items such as local labour.

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